



OFFICE OF COMPLIANCE SERVICES
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POLICY

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Title: Purchase or Lease, Contract Approval, and Signatory Authority of Goods and Services

Policy Statement

The Office of Purchasing Services, under the supervision and oversight of its Director, is responsible for establishing, providing oversight of, and ensuring compliance with all University of Vermont purchasing requirements, including policies governing the purchase and/or lease of all goods, equipment, and services. Purchasing Services is also responsible for securing contracts for frequently purchased items and/or services. This policy complies with applicable purchasing standards implemented by [Uniform Guidance](#).

Reason for the Policy

The University of Vermont has implemented this policy to ensure any purchase, regardless of funding source, is completed in compliance with University policies and legal requirements. The policy is intended to ensure that commitments of University resources are properly reviewed and approved and that the associated contract documents are signed by authorized officials.

Applicability of the Policy

This policy applies to all members of the University community purchasing goods or services using a University of Vermont budget, regardless of funding source. It governs contracts involving goods, equipment, and services.

Failure to comply with this Policy and/or the [Contract Approval and Signatory Authority Policy](#) may result in imposition of disciplinary action, governed by otherwise applicable University policies, handbooks, and collective bargaining agreements and/or personal civil or criminal liability for the unauthorized activity.

Definitions

<u>Aggregate value:</u>	The total cost or financial obligation of a procurement contract (see definition below), lease or purchase agreement with a single supplier over the Contract Term.
<u>Consortium:</u>	A group formed of two or more companies, organizations, or governments to work together to consolidate their objective (purchasing power) beyond the resources of any one member alone.
<u>Consulting Services:</u>	Services provided by an individual or company that involve the application of expert, specialized knowledge to a business problem or decision. Examples of consulting

services include counsel, advice, facilitation, process design, training or coaching, research, analysis, organizational change management assistance, technology implementation, operational improvement services, and development of plans, recommendations, or strategies.

Contract: A document, in whatever form (*including but not limited to* an estimate, quote, order form, proposal, agreement or registration) that contains narrative provisions governing the terms and conditions of the purchase, such as (1) cost and other financial terms; (2) quantity; (3) term, renewal, or cancellation; (4) liability limits; (5) warranty limits; (6) disclaimers; (7) hold harmless/indemnification; or (8) governing law.

Contract Term: Length of time of the commitment based on start date and end date of contract for the purchase or lease of goods and services.

Individual/Sole Proprietor: A supplier who provides a service to the University directly, *i.e.*, not through a corporation or other legal entity. Payments made to an individual or sole proprietor require completion of an [Employee vs. Independent Contractor Determination Form](#).

Lease: A contract by which one party conveys property rights, services or equipment to another for a specified term.

Professional Services: Services that, by their nature, involve unique creativity, talents, and abilities or special training and/or skills. Examples of professional services providers include architects, attorneys, designers, and engineers.

PurCard (Purchasing Card): A credit card issued to University-authorized cardholders for the business purpose of completing small dollar purchases up to \$2,500.

Purchase Agreement: See "Contract"

Purchase Order (PO): An agreement between the University and the supplier to which it is issued. A purchase order contains the University's standard terms and conditions, to which the supplier agrees to conform in fulfilling the order.

Quote (Request For Quote) (RFQ): An informal method of obtaining pricing from a supplier that can be completed at the department level.

Quotation Evaluation Form: A form that allows departments to record and compare Quotes received from suppliers for purchases whose value exceeds \$25,000 but is less than \$100,001.

Renewal: The action of extending the contract Term and terms and conditions of an existing contract.

Request for Proposal (RFP): A formal method of soliciting proposals from suppliers for specific University needs. The RFP process is administered by Purchasing Services and required for purchases whose value exceeds \$100,000.

Requisition for Purchase: An electronic form used to communicate the department's request to Purchasing Services for a purchase order to place an order with a supplier.

Single Member LLC: A limited liability company with a single owner. Payments made to a Single Member LLC require completion of an [Employee vs. Independent Contractor Determination Form](#).

Single/Sole Source Justification Form: A form that is used *in lieu* of a Quotation Evaluation Form or RFP when only one source/supplier is available for purchases exceeding \$25,000.

Procedures

The [Purchasing Thresholds, Requirements, and Approvals matrix](#) provides a summary of the purchase approvals, methods of purchase, and contract review and approval required for purchases based on contract Term and total dollar amount. While the matrix provides a summary, refer to this policy for specific requirements.

Authority to Approve Purchases in PeopleSoft

The Vice President for Finance and Administration has delegated to the Director of Purchasing Services, through the University Controller's Office, the authority to approve purchases and enter into contracts, leases, or Purchase Agreements for amounts not to exceed \$50,000 over contract Term. A purchase order (PO) for goods or services whose value over contract Term exceeds \$50,000 and up to \$250,000 must also be approved by the University Controller. A PO for goods or services whose value over contract Term exceeds \$250,000 must also be approved by the Vice President for Finance and Administration.

A purchase order for goods or services other than consulting or professional services whose value exceeds \$2,000,000 must be approved by the [Board of Trustees per the Delegation and Retention of Board Authority](#).

A purchase order for consulting or professional services whose value over contract Term is greater than \$1,000,000 requires approval by the [Board of Trustees per the Delegation and Retention of Board Authority](#).

Required Contract Review and Approvals

If a purchase is accompanied by a contract, lease or purchase agreement that contains narrative provisions governing the terms and conditions of the purchase, the contract must be reviewed and approved prior to execution, as follows:

- 1. For Contracts, Leases or Purchase Agreements for Goods or Services other than Consulting or Professional Services, equal to or less than ten years in length, where the cost of value over Contract Term is:**
 - Up to \$50,000: approved by Purchasing Services
 - Between \$50,001 and \$250,000: approved by the University Controller, in addition to Purchasing Services
 - Between \$250,001 and \$500,000: approved by the Vice President for Finance and Administration, in addition to all of the above
 - Between \$500,001 and \$2,000,000: approved by the President, in addition to all of the above
 - Greater than \$2,000,000: approved by the Board of Trustees, in addition to all of the above.

Contracts, Leases or Purchase Agreements greater than ten years in length require Board of Trustees approval, regardless of amount.

2. For Contracts or Purchase Agreements for Consulting or Professional Services, equal to or less than ten years in length, where the cost or value over Contract Term is:

- Up to \$50,000: approved by Purchasing Services
- Between \$50,001 and 250,000: approved by the University Controller, in addition to Purchasing Services
- \$250,001 and \$1,000,000: approved by the Vice President for Finance and Administration or President, , in addition to all of the above.
- Greater than \$1,000,000: approved by the Board of Trustees, in addition to all of the above.

Contracts or Purchase Agreements for Consulting or Professional Services greater than ten years in length require Board of Trustees approval, regardless of amount.

3. Purchase Orders and Contracts Requiring Board Approval

When initiating a contract or purchase order that requires Board of Trustees' approval as specified above, the requesting department must work with Purchasing Services and allow ample time in the process to meet the Board materials submission deadlines. Information regarding those deadlines may be obtained from the Office of the Board of Trustees Coordinator.

4. Individual/Sole Proprietor/Single Member LLC Services Contracts

Purchase of services from an Individual/Sole Proprietor/Single Member LLC requires completion of the Employee vs. Independent Contractor Determination Form (and a Services Agreement when applicable) attached to a requisition prior to the issuance of a purchase order.

5. Legal Review

All purchasing contracts must be submitted to Purchasing Services for initial review. Purchasing Services shall, through its Contract Analysts, establish and follow protocols recommended by the UVM Office of the General Counsel (General Counsel) to address contracts containing (a) indemnification/hold harmless provisions; (b) limitation of liability provisions; and/or (c) governing law/arbitration provisions. In addition, Contracts whose obligations in aggregate or related financial exposure exceed \$250,000 must be reviewed, prior to their execution, by General Counsel. Any contract that contains provisions creating unusual exposure to UVM must also be reviewed by General Counsel, and additional time for processing is required.

6. Risk Management Review

Purchasing Services shall, through its Contract Analysts, establish and follow protocols recommended by the University's Department of Risk Management when the subject matter or language of a contract raises issues of (a) liability, including a risk of accidental injury or loss to the University, its employees, students, or invitees, or to property owned, leased, or loaned by or to the University; and/or (b) provisions relating to insurance; waivers of rights including subrogation; additional insured status; liability limitations or waivers; or indemnification/hold harmless obligations. If a contract requires review by Risk Management, additional time for processing is required.

7. Information Technology (IT) Privacy and Data Security and ADA Accessibility Review

All Purchasing IT Contracts, including zero-dollar purchases, must be submitted to Purchasing Services for initial review. Purchasing Services shall, through its Contract Analysts, establish and follow protocols recommended by the (a) Information Security Officer, and (b) Americans with Disabilities Act (ADA) ADA/504 Coordinator to address IT software/hardware/services contracts containing issues of (i) accessibility; (ii) confidential/proprietary data; (iii) data transfer or destruction; and/or (iv) protected personal information and data (including but not limited to FERPA/HIPAA/Gramm-Leach-Bliley and state/federal/international data protection regulations).

Required Methods of Purchase

1. Small Dollar Purchases \$2,500 or Less

For purchases whose cost or value is \$2,500 or less, the required method of purchase is the University Purchasing Card (PurCard), unless the selected supplier does not accept the PurCard. If a supplier does not accept a PurCard, a requisition for purchase must be used. UVM's PurCard may not be used for purchases within UVM; in such instances, an interdepartmental charge is the required payment method. If a purchase of \$2,500 or less (a) involves an IT purchase (including zero-dollar purchases); or (b) requires execution of a formal written contract prior to purchase, the requesting department must send the contract to Purchasing Services for review.

2. Purchases \$2,501 or Greater*

Purchases whose cost or value exceeds \$2,500 must be completed through issuance of a University purchase order. The requesting department initiates this process by submitting a requisition in PeopleSoft in advance of a purchase. Purchase orders are then issued by Purchasing Services and sent to the supplier as a confirming and authorized University order.

3. Purchases Between \$25,001 - \$100,000*

Purchases whose value exceeds \$25,000, but are less than \$100,001 must have one of the following: an approved contracted or consortium supplier contract, a Quotation Evaluation Form that includes three (3) quotes, or a Single/Sole Source Justification Form.

4. Purchases \$100,001 or Greater*

Purchases whose value exceeds \$100,000 must have one of the following: an approved contracted or consortium supplier contract, a Request for Proposal (RFP) conducted by Purchasing Services in partnership with the requesting department, or a Single/Sole Source Justification Form. The [Guidelines for an RFP Process](#) describes the process and its requirements in more detail.

In addition, the Disbursement Center will require departmental approval of invoices whose value exceeds \$25,000 before payment will be processed.

*For those thresholds that require a PO prior to order placement, the PO is the authorization that binds UVM to the purchase and payment to the supplier. Failure by faculty, staff, or student employees to work with their business support staff in their unit, to acquire a PO prior to making a purchase, which confirms the University's commitment, may result in the individual who placed the order being personally responsible and liable to the supplier for payment.

Exceptions

1. Permitted Exceptions to Quotation and RFP Process

When it is deemed to be in the best interest of the University by the responsible unit official and approved by Purchasing Services, departments may make purchases without using a competitive process.

A request for a non-competitive purchase must be submitted by the responsible department to Purchasing Services and accompanied by a completed Single/Sole Source Justification Form, unless an approved contracted supplier or UVM consortium contract is being used. An exception to competitive process requirements also may be sought in emergency circumstances (with adequate explanation of the perceived emergency) but, if granted, shall not exceed the quantity and/or duration necessary to alleviate the immediate need.

2. Exemption for Certain Services Contracts

Because of the unique nature of the service needs of some University operations and programs, certain contracts are exempt from the RFP requirements of this policy. Offices responsible for such contracts must nonetheless create, maintain, and comply with written internal procedures describing how contracts and expenditures will be handled. These procedures must be approved in advance by the Vice President for Finance and Administration or their designee.

Contracts subject to this exemption are:

- Program Design and Construction of a Capital Project or Deferred Maintenance Project (Facilities Management)
- Acquisition, Leases and Subleases of Real Property (VP Legal Affairs & General Counsel)
- University Bookstore Purchases for Resale (UVM Bookstore)
- Professional Legal Services (VP Legal Affairs & General Counsel)
- Theatrical Performances (Lane Series)
- Student Activities Concerts and Entertainment Events (Student & Campus Life)
- Insurance (Risk Management)
- Subcontracts and sub-awards (Sponsored Project Administration)
- Library Materials and Resources (UVM Libraries)

Contracts that result from these exemptions still require approvals for dollar thresholds and General Counsel, Risk Management, and/or Information Technology (IT) Privacy and Data Security and ADA Accessibility review (if applicable), as outlined in the [Purchasing Thresholds, Requirements, and Approvals matrix](#).

Apart from the exemption categories listed above, other departments or programs may apply for a Purchasing exemption by submitting written justification to the Director of Purchasing Services and the Vice President for Finance and Administration. The request must include a statement of justification and a description of proposed internal procedures for administering future contracts, to include contract duration and estimated total purchase amount.

Copies of all procedures required by this exemption protocol must be forwarded to the Controller's office. Copies of all delegations of authority for Purchase of goods and services must be on file with the Controller's office to be valid.

Contacts

Questions concerning the daily operational interpretation of this policy should be directed to the following (in accordance with the policy elaboration and procedures):	
Title(s)/Department(s):	Contact Information:
Purchasing Services	(802) 656-6610 purchasing@uvm.edu

Forms/Flowcharts/Diagrams

- [Employee vs. Independent Contractor Determination form](#)
- [Quotation Evaluation form](#)
- [Single/Sole Source Justification form](#)

Related Documents/Policies

- [Administrative Policy for Sponsored Project Administration Procedures](#)
- [Code of Conduct and Ethical Standards](#)

- [Conflict of Interest and Conflict of Commitment Policy](#)
- [Contract Approval and Signatory Authority Policy](#)
- [Cost Policy on Sponsored Agreements](#)
- [Cost Transfers Involving Sponsored Agreements Procedure](#)
- [Delegation and Retention of Board Authority](#)
- [Employee vs. Independent Contractor Policy](#)
- [Movable Equipment Policy](#)
- [Purchasing Card Program \(PurCard\) website](#)
- [Purchasing Thresholds, Requirements, and Approvals Matrix](#)
- [RFP Process Guidelines](#)

Regulatory References/Citations

- None

Training/Education

Training will be provided on an as-needed basis as determined by the Approval Authority or the Responsible Official.

About this Policy

Responsible Official:	Vice President for Finance & Administration	Approval Authority:	President
Policy Number:	V. 4.36.1	Effective Date:	December 5, 2022
Revision History:	<ul style="list-style-type: none"> • V. 4.1.14.1/ V. 4.1.14.2 effective August 21, 2006 • V. 4.3.20.3 effective January 21, 2011 • V. 4.11.3/V. 4.3.20.3 effective June 18, 2012 • V. 4.11.4 effective May 5, 2017, as amended June 29, 2018 and February 2, 2021 • V. 4.36.1 effective December 5, Name changed from Procurement or Lease of Goods and Services and Contract Approval and Signatory Authority for Procurement or Lease of Goods and Services to Purchase or Lease, Contract Approval, and Signatory Authority of Goods and Services • Minor Revisions October 10, 2024 		

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