## UTAH MILITARY ACADEMY: PROCUREMENT POLICY, updated AY27

**PURPOSE**

This policy is created to enable Utah Military Academy to purchase, establish contracts, and carry on procurement functions, to ensure the fair and equitable treatment of all persons who deal with the procurement system of the school; to foster broad-based competition within the free enterprise system; and to ensure that taxes and other public funds are used appropriately. These policies, guidelines, and procedures (unless otherwise deemed appropriate by the business administrator) are applicable to all funds administered by Utah Military Academy.

**AUTHORITY**

The Business Administrator is delegated authority by the Board of Trustees to carry out the procurement functions of the school and to ensure such functions are in accordance with established policies and written procedures.

**PROCUREMENT GOALS**

1. To obtain the best value on all purchases. It is the goal of the school to assist employees in obtaining necessary supplies and equipment to perform their functions at the lowest cost to the school.
2. To treat all vendors fairly. As a public entity the school is obligated to provide an equal opportunity to all interested vendors.

**SCOPE**

1. This policy applies to all purchases made by the school. The policy applies regardless of the source of the money to be expended, including, but not restricted to:
    i) State and federal grants
    ii) Donations
    iii) Fees
    iv) Revenue generated by programs, departments, etc.
2. This policy shall apply to all purchases made through school approved purchase orders, expenditure requests, purchasing cards, and school requisitions.
3. This policy applies to all purchases of supplies, equipment, materials, construction, real property, and services.

**GENERAL GUIDELINES**

1. The purchasing department is not authorized to make personal purchases for faculty or staff members.
2. The purchasing department may question the quality, quantity and kind of materials requisitioned on purchase orders, and suggest alternate items. The school will normally go with the recommended vendor provided the bid can be justified.
3. No purchase order shall be initiated unless funds are available in the budget to cover the cost,

unless otherwise approved by the business administrator. This is ensured as the purchase order is processed and the appropriate budget is encumbered for the amount of the purchase.

4. Any items purchased through the State of Utah purchasing contract are exempt from the bidding requirements.
5. To the greatest extent practicable the school must provide a preference for the purchase of goods and materials produced in the United States.
6. Regardless of cost, grantee must maintain effective control and safeguard all assets and assure that they are used solely for authorized purposes.
7. Questions concerning purchasing policies should be directed to the Executive Director or Business Administrator.

**PURCHASE APPROVAL**

All transactions that result in a commitment of school funds shall be approved by the applicable school administrator prior to making any purchases.

1. Purchases of goods and services shall be executed by submitting a purchase order.
2. Refunds of fees or other reimbursements to students, parents, and employees shall be documented by receipts, registration/withdrawal forms, sales slips, etc., which are submitted prior to the issuance of a check.

**COMPETITIVE SOLICITATIONS**

Utah State Law imposes particular requirements for the different dollar amounts of purchase. Utah Code 63G-6a-408 makes it unlawful to intentionally divide a procurement purchase into one or more smaller purchases to divide an invoice or purchase order into two or more invoices or purchase orders, or to make smaller purchases over a period of time.

1. This means that intentionally splitting a purchase of similar items that would typically be purchased at the same time from the same vendor to avoid requiring competitive quotes is unlawful (e.g., uniforms, club or athletic equipment, textbook orders, etc.). This includes dividing the purchases or invoices over a short period of time, or making separate purchases over a period of time.
2. It may be determined after an order is placed or received that a large enough quantity was not ordered or the correct sizes were not obtained, and that additional items must be ordered. If this occurs, the employee initiating the purchase must include a written explanation of the purpose of the purchase and justification as to why it is not considered splitting a purchase. This should be retained with the vendor invoice.
3. Penalties for violating this statute are outlined in Utah Code 63G-6a-2305 and 2306. Penalties range from a class B misdemeanor to a second degree felony, depending on the total value of the divided procurements.

**THRESHOLDS**

The "individual procurement threshold" for the school is $3,000. This is the maximum amount that the school can expend to obtain a single item/service from one vendor at one time without requiring competitive purchasing (Utah Code 63G-6a-408, Administrative Code R33-3).

The "single procurement aggregate threshold" for the school is $5,000. This is the maximum amount

that the school can expend to obtain any combination of individual procurement items/services costing less than $1,001 from one vendor at one time up to $5000. (Utah Code 63G-6a-408, Admin Code R33-3).

The "annual cumulative threshold" for the school is $50,000. This is the maximum total annual amount that the school can expend to obtain individual procurement item(s) costing less than $1,001 purchased from the same vendor during the fiscal year (July 1-June 30) not to exceed $50,000. If a purchase exceeds $50,000, it is not considered a small purchase and shall be processed through a bidding process or a request for proposal (RFP) process (Utah Code 63G-6a-408, Admin Code R33-3).

Professional services, such as architectural, engineering, accounting, legal, or consulting services less than $100,001 shall be acquired using a competitive bidding or RFP process, or by selecting a provider from an approved potential vendor list created using an invitation for bids or an RFP under provisions in Utah Code 63G-6a-403 and 404 Administrative Code R33-3.

For contracts over $25,000 you must verify that the person with whom you intend to do business is not excluded or disqualified. This must be done by either:

1. Checking SAM; or
2. Collecting a certification from that person, or
3. Adding a clause or condition to the covered transaction with that person.

Small construction projects:

1. Costing less than $25,001 may be procured by direct award without seeking competitive bids or quotes after documenting that all applicable building code approvals, licensing requirements, permitting and other construction related requirements are met.
2. Costing between $25,001 and $80,000 may be procured by obtaining a minimum of two competitive bids or quotes that include minimum specifications and be awarded to the contractor with the lowest bid or quote that meets the specification after documenting that the requirements are met from (1).
3. Costing more than $80,000 are not considered small construction projects and must follow the requirements outlined in Utah Code 53A-20.

**OBTAINING QUOTES**

If using state contracts three quotes are not necessary. If not then follow these procedures if the total purchase is between:

1. $0-$1,000: The purchaser may select the best source without seeking competitive quotes. The signatures of the authorized officers for the department or administration are required on the purchase order and/or check request form.
2. $1,001-$10,000: The purchaser shall obtain at least two competitive quotes and purchase item/ service from the supplier offering the lowest quote. Quotes must be attached to the purchase order and documentation with required signatures and maintained as part of the school's records.
3. $10,001-$50,000: The purchaser shall obtain at least two competitive quotes and purchase item/service from the supplier offering the lowest quote meeting specifications. Quotes must be attached to the purchase documentation and maintained as part of the school's records. These purchases must be notified to the Board of the nature, amount and firm at the next board

meeting.

4. Greater than $50,001: The LEA shall enter into a competitive bid process or RFP in compliance with Utah Code 63G-6a sections 601-612 and 701-711, or use an approved vendor list with an invitation for bids or an RFP in compliance with Utah Code 63G-6a-403 and 404. If a bid process is utilized, select the lowest responsive and responsible bidder that meets the objective criteria described in the invitation to bid. Supporting documents must be retained and maintained as part of the school's records. The signature of the business administrator, and director is required, and the board will be notified at the next board meeting.
5. Less than $100,001 for professional services: When acquiring professional services such as accounting, legal, consulting, architectural, or engineering goods or services valued less than $100,001 the school shall follow the policy in the section above.
6. Greater than $100,001 for professional services: The school shall enter into a competitive bid process or RFP in compliance with Utah Code 63G-6a sections 601-612 and 701-711. The bid or RFP process shall be managed by the school purchasing department. If a bid process is utilized, select the lowest responsive and responsible bidder that meets the objective criteria described in the invitation to bid. If an RFP process is utilized, select the responsive and responsible officer with the highest total score. Supporting documents must be retained and maintained as part of the school's records. The signature of the business administrator and director is required, with board notification at the next board meeting required.

Small construction projects:

1. Costing less than $25,001 may be procured by direct award without seeking competitive bids or quotes after documenting that all applicable building code approvals, licensing requirements, permitting and other construction related requirements are met. The signature of the business administrator, and director is required.
2. Costing between $25,001 and $80,000 may be procured by obtaining a minimum of two competitive bids or quotes that include minimum specifications and be awarded to the contractor with the lowest bid or quote that meets the specification after documenting that the requirements are met from (1). The signature of the business administrator and director, and notification to the board at the next board meeting is required.
3. Costing more than $80,000 are not considered small construction projects and must follow the requirements outlined in Utah Code 53A-20, and the board shall advertise for bids at least 10 days before the bid due date. The signature of the business administrator and director and notification of the board at the next board meeting is required.

To the greatest extent practicable the school must provide a preference for the purchase of goods and materials produced in the United States.

**SOLE SOURCE**

1. Sole source procurement shall only be used if a product or service is unique and can be easily proven as one of a kind, offered by only one vendor, is a public emergency, or the State gives authority. If there is more than one potential bidder or offer for a particular item, sole source does not apply. All sole source determinations must be completed through the school's purchasing department.
2. All sole source requests estimated to be $50,000 and above must be posted for public comment, in accordance with Utah Code 63G-6a-802 and 406.

3. Sole source justification should be documented according to Utah Code 63G-6a-802 and be approved by administration.

**OPEN PURCHASE ORDERS/CHARGE ACCOUNTS**

Open purchase orders means blank purchase orders delivered to an approved vendor for the purpose of purchasing maintenance supplies, custodial repair supplies, and minor educational supplies. These open purchase orders constitute a charge account with each specific vendor where the school has an approved revolving credit account, which must be paid monthly. Only approved employees are allowed to procure products, goods, or services using this purchasing instrument of the school.

**RECEIPT AND ACCEPTANCE OF MATERIALS**

1. When ordered supplies come into the school the person who receives the goods must inspect them for obvious damage, or irregularities.
2. Items should be checked with the order log to make sure the correct item and quantity has been delivered.
3. When items are received which were not ordered, are defective, or in any way not acceptable, the school will return and/or exchange the item.

**ILLEGAL ACTIVITIES**

Any person using their employment position or influence for the purpose of obtaining goods or services for personal benefit or the personal benefit of others shall be subject to disciplinary action.

Utah Code 63G-6a-2304.5 makes it unlawful for a "procurement participant" to use the "procurement participant's" position or influence to obtain a personal benefit for the "procurement participant," or for a family member of the "procurement participant" from an "interested person."

Penalties for violating this statute are established in Utah Code 63G-6a-2304.5 and 2306. The school will adhere to these penalties and report violations to the attorney general's office, as required by statute.

1. Interested person: Penalties range from a class B misdemeanor to a second degree felony.
2. Procurement participant: Penalties range from a class B misdemeanor to a second degree felony and subject to disciplinary action up to and including dismissal from employment.

**SCHOOL LUNCH PURCHASES**

The school lunch program will follow the approved Utah Military Academy's CNP Procurement Plan.

**LEASES**

All lease agreements will be evidenced by a lease or sublease agreement, approved by the board of directors at a board meeting. The agreement will identify all the terms and conditions of the lease and signed by the director and chairman of the board.

**COMPLIANCE WITH LAW**

In all activities, school employees shall comply with the Ethic Act, comply with the Utah Public Officers' and Employees' Ethic Act, Utah Code Ann. 67-16, and other school policies. Employees must adhere to the requirements of Utah Code Ann. 67-16-4. And Utah Admin Code R277-107. Employees should not

contract for products or services offered by themselves or their family-owned business unless the transaction is arms-length and the employee receives express permission from the Business Administrator after disclosing the potential conflict of interest.

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