

**STANDARDS AND PROCEDURES FOR POLICY 429:**  
**CONTRACTING FOR PURCHASES OR LEASES OF GOODS,**  
**SERVICES AND EQUIPMENT**

**I. PURPOSE**

The following standards and procedures have been approved by the Chancellor pursuant to VSC Policy 429, *Contracting for Purchases or Leases of Goods, Services and Equipment*. It is the responsibility of the Business Affairs Council to review and propose to the Chancellor revisions to these standards and procedures periodically. The terms and provisions of these standards and procedures shall be read to be consistent with the terms and provisions of VSC Policy 429. Where there is reference herein to particular job titles, the standards and procedures are not to be construed as being limited to those individuals serving in those specifically titled positions but rather to those serving in the general capacity of those titled positions, however named.

**II. CONTRACTING STANDARDS AND PROCEDURES**

The Chancellor's Office and each Institution shall, in writing, specify which officials are authorized to enter into contracts for the purchase or lease of goods, services or equipment. All those with such authority on behalf of the Institution or the VSCS will do so in full compliance with state and federal law, VSC Policy 429, and these standards and procedures.

Purchases made and obligations entered into on behalf of the VSCS will be made in a manner that supports the mission of the VSCS and its Institutions, and the efficient use of VSCS and Institution resources.

Potential obligations under this Policy between \$25,000 and \$100,000 in total cost require solicitations of at least three quotations from responsible suppliers. The VSCS requires competitive bidding for purchases exceeding \$100,000 per total transaction in the form of a Request for Proposal (RFP) process. The RFP will be issued to a minimum of three potential vendors who have been identified as having the ability to provide the goods, services, or equipment at a quality level acceptable to the VSCS.

A [Competitive Bid Form](#) is mandatory for any item purchased with federal funds that has an aggregate dollar amount of \$25,000 or more. It is optional but encouraged for purchases made with non-federal funds.

The VSCS maintains a list of preferred vendors for construction, facilities, and IT purchases. Items purchased from the preferred vendor list do not require a competitive bid. Purchases from vendors on the State of Vermont current contracts list also do not require a competitive bid. (See <https://bgs.vermont.gov/purchasing-contracting/contract-info>)

In selecting the vendor the following must be taken into account: price, quality, terms, operating budget of the Institution or unit, delivery schedule, product availability, and environmental or social impact.

The Chancellor or a President, upon written application with a detailed justification, may waive in writing the above solicitation or RFP procedures if doing so is in the best interests of the Institution or the VSCS.

Before a sole-source contract may be issued, the requesting department shall complete a [Non-Competitive Bid Form](#) justifying the need for a sole-source contract. Use of a sole source contract may be acceptable in limited circumstances, such as where proprietary items that are only available from a single source or where there is significant added value from a long-term relationship. A sole-source purchase for which competitive bidding would otherwise be required shall be approved in writing by the Dean of Administration or the President of an Institution or, in the case of a VSCS system-purchase, the System CFO or the Chancellor.

All payments made by the Institutions for goods and services must be supported by appropriate documentation including, where appropriate, an invoice, a properly authorized Purchase Order and accompanying Receiving/Verification Form, or itemized receipts.

All purchases are exempt from Vermont Sales Tax by use of the [Sales Tax Exemption Certificate](#).

The preferred method of purchase is the Purchasing Card (p-card). When a p-card cannot be used to make purchases greater than \$2,000, purchases should be made using the Purchase Order Requisition process.

The following are acceptable purchasing methods, in order of preference:

- 1) P-Card - credit or declining balance
- 2) Purchase Order when required by vendor or supervisor
- 3) Purchase with vendor on account - vendor bills VSCS directly
- 4) Cash Advance – Receipts must be submitted within 10 days of receipt of funds
- 5) Petty Cash – \$75 maximum, managed by the institutions' business offices

**Use of personal funds, including personal credit cards, is prohibited.** Exceptions to this prohibition are available in very rare instances but must be clearly documented and approved by the Institution's Dean of Administration or designee. Failure to receive approval or sufficiently document such expenditures may result in a denial of reimbursement.

Any personal gain (including without limitation: reward points, loyalty programs, cash-back bonuses, personal discounts, or other benefit to the employee personally) from the use of personal funds for business-related expenses is a violation of VSC Policy 210: *Employee Conflict of Interest Policy*, which may result in disciplinary measures and/or a requirement to return or refund the benefit received.

Purchase Approval Limits, subject to available funds, are as follows:

1. Department Chairs, Office Directors, and CCV Site Managers or their authorized designees approve purchases up to \$2,000. Lower limits may be established by the Institutions.
2. Deans, CCV Regional Directors, Facility Directors, and Agency Heads (e.g., VMEC, SBDC, etc.) or their authorized designees may approve purchases up to \$10,000. Lower limits may be established by the Institutions.
3. At the VSCS Chancellor's Office all purchases greater than \$10,000 must be approved by the Chancellor or authorized designee. At the Institutions, all purchases greater than \$10,000 must be approved by the President, the chief financial officer of the Institution (however named), or their authorized designees.
4. OTHER SPECIAL APPROVAL REQUIREMENTS:

Purchase of Chemicals: All purchases of Chemicals for academic departments must be approved in advance by the designated Chemical Hygiene Officer (CHO) or designee.

Purchase of Information Technology items: All Information Technology hardware and software must be approved in advance by the VSCS's Chief Information Officer or authorized designee.

### **III. PURCHASES FUNDED BY FEDERAL GRANTS**

All Goods and Services purchased from federal grants and/or other federal sources, including federal contracts, must adhere to 2 C.F.R. § 200 Subpart D. All VSCS Institutions and personnel must comply with the following standards and procedures when making purchases using federal funds.

#### *A. Ethical Conduct*

Along with the requirements and prohibitions of VSC Policy 207: *Trustee And Executive Conflict Of Interest Policy* and VSC Policy 210: *Employee Conflict of Interest Policy*, no employee, officer or agent may participate in the selection, award or administration of a contract expending federal funds if the employee, officer or agent, or their immediate family, partner or any organization which employs (or is about to employ) the employee or their family member or partner, has a financial or other interest in, or may otherwise tangibly benefit from, a firm considered for the contract.

#### *B. Process Prior to Procurement:*

1. Before initiating the procurement process when expending federal funds, purchasers should seek to:

- Avoid unnecessary or duplicative purchasing of equipment, supplies or services;
  - Consolidate purchases where possible, or break-out purchases into more economical units – this should include consideration of leasing versus purchasing; and
  - Award contracts only to responsible contractors possessing the ability to perform successful under the terms and conditions of the proposed contract.
2. Any solicitation for goods or services must include a clear and accurate description of the technical requirements for the good(s) or service(s) to be procured, and must identify the requirements which bidders must fulfill, together with the factors used in evaluating bids or proposals.

C. Procurement Thresholds and Methods:

Pursuant to 2 C.F.R. 200.320, the following thresholds apply to VSCS purchases:

1. Informal Procurement Methods
  - a) **Micro Purchase** - the aggregate dollar amount of the item purchased does not exceed \$24,999. This includes incremental payments that total less than \$24,999. Micro-purchases should be equitably distributed among qualified suppliers and may be awarded without soliciting competitive quotations so long as the price is reasonable.
  - b) **Small Purchase** - the aggregate dollar amount ranges from \$25,000 to \$100,000. Price or rate quotations must be obtained from a minimum of three qualified sources prior to making a purchase. Internet searches, vendor listings, and written quotes are valid sources. These quotes should be documented on the [Competitive Bid Form](#) submitted with the request for payment. The purchaser shall also maintain a record of the price quotes and make this available upon request.
2. Formal Procurement Methods - where the aggregate dollar amount is greater than \$100,000, bids are publicly solicited using one of two methods:
  - a) **Sealed Bids** – after formal advertising (e.g., RFP) a firm fixed price contract is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest price. This is the preferred method for procuring construction or certain types of equipment or services.
  - b) **Competitive Proposals** – conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. Contracts must be awarded to the responsible firm whose

proposal is most advantageous to the program with price and other factors considered.


3. **Noncompetitive proposals** - procurement through solicitation of a proposal from only one source. A waiver must be granted by submitting the [Non-Competitive Bid Form](#), documenting the rationale for making the request. The President, Chancellor, or designee will approve such sole-source contract requests only when:
  - a) The product or service is available only from a single source, for example: a work of art, a specialized piece of equipment or specialized service, existing infrastructure has specific compatibility requirements;
  - b) There is an Emergency (defined below); or
  - c) The federal agency awarding the funds in question authorizes a non-competitive bid based on a written request from the VSCS.

D. Recordkeeping:

The purchasing entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. For Small Purchases, the purchasing entity should retain the price or rate quotations from the non-successful providers.

**IV. Emergency Purchase Authorization**

On rare occasion an emergency purchase may be necessary. “Emergency” is defined as any situation involving public health, public safety, or where an immediate purchase is required for repair to an institution’s property to prevent or minimize serious disruption in an institution’s operations. Although competitive bidding is not required under emergency circumstances, officials making emergency purchases shall adhere to as many established standards and procedures as the circumstances may allow and the purchase shall be approved by the appropriate authority in advance of the emergency purchase where feasible.

  
Chancellor

Date	Version	Revision	Approved By
	1.0	Initiated	Chancellor
6/26/15	2.0	Uniform Guidance Waiver	Chancellor

8/1/18	3.0	Conform to updated Uniform Guidance	Chancellor
7/3/19	4.0	Conform with Policy 423	Chancellor
7/7/22	5.0	Conform with Uniform Guidance 2020 revisions	Chancellor
9/1/22	6.0	Adjustment to purchase approval limits	Chancellor