

**UNIVERSITY OF OREGON  
PURCHASING AND CONTRACTING PROCEDURES**

**Our Mission**

Purchasing and Contracting Services (PCS) is a team of business professionals dedicated to public service and advancing the university's mission. We are a service unit that empowers campus stakeholders to accomplish their goals, while successfully balancing efficiency, innovation, and risk. We accomplish this mission by:

- Obtaining the best value for the university and its stakeholders.
- Providing timely, creative, strategic, and practical business services.
- Fostering a climate of good faith, fair dealing, and compliance.
- Promoting access to university business opportunities.
- Partnering in the development and execution of university initiatives.

**Our Values**

We use the following operational values to frame our policy decisions, workflow systems, procurement activities, contracts, oversight duties, and customer interactions:

- Obtain best value by minimizing the total cost of ownership of goods, services, systems, policies, and processes.
- Understand that change is constant and inevitable. Plan for and make incremental, managed change.
- Continuously improve.
- Use systems to make rule based decisions; use people to make decisions that require discretion and thought.
- Know that risk cannot be eliminated, only mitigated. Avoiding all risk eliminates all opportunity.
- Be proactive, not reactive.
- Approach conflict from a "Me→Us→You" perspective.
- Value everyone's contribution, understand outside perspectives.
- Communicate in a manner that is accessible to our audiences.
- Always offer solutions to add value.

PLEASE NOTE: This document is in the process of being revised and will change periodically. As a result, please revisit these procedures regularly for up-to-date information regarding the University's purchasing and contracting procedures.



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**UNIVERSITY OF OREGON**  
**PURCHASING AND CONTRACTING PROCEDURES**

- 1. Fiduciary Responsibilities.** UO employees engaged in purchasing and contracting have a fiduciary responsibility to ensure all UO purchasing and contracting will be administered in compliance with federal and state laws and regulations. Further, UO requires purchases to be administered in a manner that promotes open and fair competition to the maximum extent feasible. UO's purchases will support its goals of efficiency, quality, effectiveness, and sustainability. No contract for the purchase of goods or services will be made without proper supervisory and administrative approval.
  
- 2. UO Procurement and Contracting Code of Ethics and Procurement Evaluation Declaration.**
  - 2.1 UO Procurement and Contracting Code of Ethics (Code of Ethics).** The Code of Ethics applies to all UO employees involved in the procurement of goods and services. The Code of Ethics can be found [here](#).
    - 2.1.1 Annual Statement – Code of Ethics.** Each year, all UO employees routinely involved in making, negotiating or approving purchasing or contracting decisions must sign a statement that the employee has reviewed and will comply with the Code of Ethics. In addition to the Annual Statement - Code of Ethics, if the employee participates in a formal procurement process (RFP or ITB,) the employee will also need to sign a Declaration of No Conflict of Interest as required below.
  
    - 2.1.2 Ad Hoc Basis.** UO employees not involved in the procurement process as part of their routine duties, but who will be involved in a particular project in which they will determine compliance with required specifications, develop or specify performance requirements, or make or approve a purchase or contract, must sign the Code of Ethics at the commencement of their involvement in such project. In addition to the Code of Ethics, if the project the employee is participating in is a formal procurement process (RFP or ITB,) the employee will also need to sign a Declaration of No Conflict as required below.
  
  - 2.2 Declaration of No Conflict.** UO employees at the commencement of their participation in a formal procurement process, including participation on a selection committee, determination of compliance with required specifications or performance requirements, or the negotiation or approval of purchasing or contracting decisions under the formal procurement process must complete and sign a Declaration of no conflict.

### 3. **Additional Procedures for Purchasing.**

**3.1 Qualified Rehabilitation Facilities (QRF).** QRF are nonprofit organizations whose purpose is to provide employment to individuals with disabilities. UO and all of its departments must purchase needed goods and services from a QRF if those goods and services meet all of the following:

**3.1.1** The needed goods or services have been determined to be suitable by the State of Oregon. A QRF may offer other goods or services, but only those goods or services determined suitable are required to be purchased from the QRF.

**3.1.2** The suitable goods or services meet the department's specifications

**3.1.3** The QRF is willing and able to comply with University Policies.

**3.1.4** The suitable goods or services are available within the time period required by department.

If the department is purchasing from a QRF and the above requirements are met, the department is not subject to any Competitive Process requirements.

**3.2 HUB Contracting.** UO is committed to promoting contracting opportunities for Historically Underutilized Businesses (HUBs) and Oregon based businesses to the greatest extent possible. In support of UO's commitment UO will, when feasible, solicit quotes from HUB vendors for non-exempt purchases over \$25,000 by either directly soliciting quotes or by posting public procurements on the State of Oregon's public procurement system (so long as that system will automatically notify eligible HUB vendors of opportunities). . Additionally, UO departments may promote contracting opportunities for Emerging Small Business through the use of the UO's Emerging Small Business Program. For more information on HUBs or UO's Emerging Small Business Program please contact PCS.

**4. General Responsibilities for Purchasing and Contracting.** Outlined below are the responsibilities, duties and reviews required for UO's purchasing and contracting processes.

**4.1 Programmatic Review.** Programmatic review and approval confirms that the proposed purchase or contract has a business purpose that supports the department's objectives and UO's mission. Programmatic review and confirmation is the primary responsibility of the Department's Budget Authority and their designees. Each department initiating the purchase process should perform this review at the initiation of the process.

**4.2 Budgetary Review.** Budgetary Review and approval confirms that there are sufficient funds available to incur the expense for the proposed purchase or contract. Budgetary

review and confirmation is the primary responsibility of the Department's Budget Authority and their designees. Departments must ensure funds are available and properly budgeted prior to making any purchasing commitment.

- 4.3 Compliance Review.** Compliance review and approval confirms that the proposed purchase or contract has met all applicable laws, regulations, policies, and procedural requirements and that the purchase or contract is completed using good business practices. Compliance review and confirmation is a shared responsibility of PCS and the Department's Budget Authority and designees.

Generally, the department develops the specifications and evaluation criteria, performs the required Competitive Process, completes purchase documents, ensures appropriate review and approvals, provides the proper accounting codes, monitors the purchase through completion and submits payment requests. PCS provides departments with assistance in fulfilling any Competitive Process requirements, creating the purchase documents, negotiating the agreement and approving purchases or contracts as required by these procedures. Further, PCS is available at any time if the department wishes to obtain additional assistance.

## **5. Procurement Methods & Procedures.**

### **5.1 Basic Concepts.**

**5.1.1 Procurement Steps.** The ten basic steps to complete a procurement of goods or services are:

- 5.1.1.1** Develop minimum specifications and an estimated dollar value of the procurement.
- 5.1.1.2** Confirm funding approved and available for the procurement.
- 5.1.1.3** Determine all policies and procedural requirements applicable to the procurement.
- 5.1.1.4** Confirm if a QRF is available to provide the needed goods or services.
- 5.1.1.5** Determine if a Duck Depot vendor can provide the needed goods or services.
- 5.1.1.6** Determine if an existing Price Agreement or other cooperative agreement provides the needed goods or services.
- 5.1.1.7** Perform a Competitive Process, if required, and promote the opportunity to HUB vendors to the extent feasible. Select vendor

based on Best Value criteria and, if needed to fully realize Best Value potential, negotiate final contract terms and conditions. Note that Competitive Range or Conditional Contract Award may be selected prior to final contract terms and conditions agreement.

- 5.1.1.8 Select a purchase method (*i.e.*, P-Card, purchase order, *etc.*) and complete any required information or documents for the method.
- 5.1.1.9 Ensure all required approvals have been obtained.
- 5.1.1.10 Make the purchase.
- 5.1.1.11 Monitor and provide administrative oversight to ensure the purchase is completed pursuant to the terms of the agreement and then request payment for the procurement.

**5.1.2 Dollar Value of Contract.** The dollar value of a Contract is the sum of all costs the University is required to pay or may elect to pay to a vendor as a result of a transaction. This includes the dollar amounts payable during the initial term and any renewal terms allowed under the Contract, as well as any costs or expenses payable in addition to base fees.

*For example:* A department intends to lease two copy machines from one vendor, each costing \$6,000 per year, with the ability to renew the lease for four additional one-year terms. The total dollar value of that Contract is \$60,000 (\$6,000 per copier per year multiplied by 5 possible years).

**5.1.2.1 Dollar Value of a Procurement.** The dollar value of a procurement for the purposes of determining the appropriate procurement process is equal to the sum of all reasonably foreseeable costs payable to a single vendor for that vendor's work in support of a single project, including reasonably foreseeable recurring costs for similar goods or services payable to a single vendor over a five-year period.

**5.1.2.2 Split Transactions.** A transaction may not be intentionally divided into multiple transactions with the same vendor for the purpose of keeping each individual transaction under a competitive bid threshold established under this Policy. The dollar value of a set of transactions is cumulative. Reasonably foreseeable future transactions should be taken in to consideration when calculating the value of a transaction in the present.

*For example:* A department needs to buy 30 units of certain goods at \$1,000 a unit. In January, the department buys 20 units on one PO.

In February the department buys 10 additional units on a second PO. The two POs add up to a single procurement with a dollar value of \$30,000. Absent a competitive process, the purchases do not comply with UO policy.

The following criteria can be used as a guide to determine if a set of individual transactions with a single vendor should be part of a single procurement or contract:

- a. **Same vendor:** Transactions all with the same vendor are likely part of the same transaction, unless those transactions are related to distinct reasonably unforeseen projects.
- b. **Same product/service or category of product/service:** Services related to a single piece of equipment, software or commodity type are likely part of the same transaction unless later transactions were reasonably unforeseen, or market conditions require the purchase of components or services from separate vendors.
- c. **Frequency and consistency of similar purchases:** Transactions that are consistent with similar previous transactions that are known to occur with regular frequency are likely part of the same transaction.
- d. **Purchases related to the same or similar projects:** Reasonably foreseeable transactions related to existing projects are likely part of the transaction for those projects

**5.1.3 Best Value.** This basic concept in UO purchasing and contracting means that UO can consider factors other than Contract Price in making its purchasing decision. Although departments are very sensitive to obtaining the best price, departments are allowed to consider other costs or values, such as warranties, performance, quality, life cycle costs, cost of ownership, cost of acquisition, cost of termination or disposal, sustainability attributes, training, shipping, *etc.*

**5.1.4 Brand Name Specification.** A department may specify a brand name in its procurement specifications if that particular named product or service has attributes not found in any other goods and services of like kind. The department must work with PCS to determine whether a brand name may be included in its procurement specifications. Otherwise, a department may use a brand name only with the qualification that any other brand of products of equal or greater specifications are acceptable.

**5.1.5 Disqualification.** UO may not contract with an entity that has been disqualified from eligibility for awards of state contracts. UO will maintain a current roster for entities that have been disqualified from contract awards. The department should contact PCS if they want to confirm whether an entity is on the list or if



they believe an entity has acted in a way that should result in their disqualification from state contracts.

**5.1.6 Department Policies.** All departments may develop their own internal policies and procedures to support their purchasing and contracting activities. Department policies and procedures may be more restrictive than these procedures, but they may not be less restrictive. PCS is available to review provide advice related to Department policies concerning purchasing and contracting.

**5.2 Contracting With Current and Former Employees.** Pursuant to Department of Labor and BOLI regulations, UO *may not* contract with current UO employees to perform services in addition to their current employment. Current employees cannot be considered independent contractors in addition to their status as an employee, even if the separately contracted work is outside the scope of the employee's usual duties. Departments wishing to use the services of a current UO employee should consult with Human Resources to determine if the services could be provided under their current employment. Former UO employees are also not generally considered independent contractors, especially when the services contracted are within the scope of their previous employment. Departments should consult with Human Resources and PCS before contracting with former UO employees.

**5.2.1 Contracting with Independent Contractors in Foreign Countries.** Contracts with independent contractors in foreign countries must be approved by the Chief Procurement Officer or their designee. The Chief Procurement Officer may require outside subject matter expert review of Contracts with independent contractors in foreign countries that exceed \$5,000. Departments will bear the cost of retaining such experts.

**5.3 Compliance with Uniform Guidance.** In order to comply with the requirements for federal grant administration established under 2 CFR 200 (commonly known as the "Uniform Guidance"), UO will adopt the procurement processes established thereunder for purchases that are funded, in whole or in part, with federal grant funds. Accordingly, UO staff will record the: (a) rationale for the method of procurement; (b) rationale for the type of contract used; (c) basis for contractor selection or rejection; and (d) basis for the contract price for each transaction funded by a federal grant. For purchases under \$10,000 (or \$25,000 for purchases funded by grant contracts executed or most recently renewed or amended by written agreement on or after July 1, 2021), documentation of the department's determination of a reasonable business purpose and purchase price is sufficient to satisfy the documentation requirements.

**5.3.1 Cost and Price Analysis for Grant Funded Purchases.** UO will conduct a cost and price analysis all purchases funded by federal grants valued over \$150,000, or valued over \$10,000 (or \$25,000 for purchases funded by grant contracts

executed or most recently renewed or amended by written agreement on or after July 1, 2021) and purchased from a sole source.

**5.4 Direct Procurement (Purchases less than or equal to \$25,000) Transaction Methods.**

A department may, without competition, procure goods or services directly from a single vendor if the amount of the procurement does not exceed \$25,000 and if the department determines the Contract Price is fair and reasonable.

**5.4.1 Federally Funded Purchases between \$10,000 and \$25,000; exempt purchases between \$25,001 and \$150,000.** In order to comply with Uniform Guidance, UO will attempt to collect a minimum of three quotes for purchases valued between \$10,000 and \$25,000 funded by federal grant contracts executed or most recently renewed or amended on or before June 30, 2021. For purchases valued over \$25,000, UO will conduct an Informal Procurement under Section 5.4 below, unless the purchase would otherwise be exempt from competitive process under Section 6 below and 2 CFR 200.320.

**5.5 Informal Procurement (Purchases greater than \$25,000 and less than or equal to \$150,000).**

**5.5.1 Goods, Trade Services, Transportation Services, Hotels, Catering, and Event Services.** Upon approval from the Chief Procurement Officer or designee, goods, trade services, transportation services lodging or hotels services, catering, or event services may be procured by directly soliciting quotes from at least 3 qualified vendors. The form of the solicitation must be approved by PCS before it is transmitted to prospective vendors. At least one HUB vendor must be solicited, if available. At least 3 quotes must be obtained or written documentation must be provided detailing the efforts made to obtain an adequate number of quotes. Once these requirements are met, the department may select the vendor that provides the best value based upon the evaluation criteria and final approval by PCS.

**5.5.2 Specialized Professional Services.** Specialized Professional Services are professional services that require specialized expertise or knowledge and are available only from a limited number of qualified vendors. Upon approval from the Chief Procurement Officer or designee, Specialized Professional Services may be procured by directly soliciting quotes from at least 3 qualified vendors. The form of the solicitation must be approved by PCS before it is transmitted to prospective vendors. At least one HUB vendor must be solicited, if available. At least 3 quotes must be obtained or written documentation must be provided detailing the efforts to obtain an adequate number of quotes. Once these requirements are met, the department may select the vendor that provides the best value based upon the evaluation criteria and final approval by PCS.

**5.5.3 All Other Services.** For all other purchases over \$25,000 but less than \$150,000, UO should undertake an informal procurement process commonly known as Request for Quotes. As part of this process, UO must post an advertisement on the procurement website for at least 5 business days and obtain at least 3 quotes. At least one HUB vendor must be solicited, if available. The Department and PCS will develop and then post a solicitation document to the UO website. At least 3 quotes must be obtained or written documentation must be provided detailing the efforts to obtain an adequate number of quotes. Once these requirements are met, the department may select the vendor that provides the best value based upon the evaluation criteria and final approval by PCS.

**5.5.4** UO will maintain a record for any informal procurement that includes, but is not limited to, the: (a) rationale for the method of procurement; (b) rationale for the type of contract used; (c) basis for contractor selection or rejection; and (d) basis for the contract price for each transaction. This record may include but is not limited to the following:

**5.5.4.1** Specifications for the product or service.

**5.5.4.2** All award criteria, including Contract Price and any other factors used.

**5.5.4.3** Request for Quotes or solicitation documents.

**5.5.4.4** Documentation of solicitation communications, quote revisions and vendor communications.

**5.5.4.5** All vendor quotes or responses to the informal procurement.

**5.5.4.6** Copy of purchase document (*i.e.*, PSC, custom contract or purchase order.)

**5.5.4.7** Documentation of purchase completion.

**5.5.4.8** Documentation of purchase payment.

**5.5.4.9** Notes page to document vendor performance or department satisfaction.

**5.6 Formal Procurements (Purchases Greater than \$150,000.)** For any purchase greater than \$150,000, UO should undertake a formal procurement process using either an Invitation to Bid (ITB) or a Request for Proposal (RFP). PCS will facilitate formal procurements. Departments are encouraged to contact PCS as early as possible for formal procurement assistance.

The University will maintain a record for any formal procurement that includes but is not limited to the: (a) rationale for the method of procurement; (b) rationale for the type of contract used; (c) basis for contractor selection or rejection; and (d) basis for the contract price for each transaction This record may include but is not limited to the following:

- 5.6.1 Minimum specifications for the product or service.
- 5.6.2 All award criteria, including Contract Price and any other factors used.
- 5.6.3 ITB or RFP.
- 5.6.4 Documentation of advertisement and vendor Bids or Proposals.
- 5.6.5 All vendor correspondence connected to the formal procurement.
- 5.6.6 Documentation of how the successful vendor was selected including all scoring sheets and any other notes or forms used by anyone involved in scoring or ranking the responses or in determining the successful vendor.
- 5.6.7 Copy of resulting Contract.
- 5.6.8 Documentation of all required approvals, including UO General Counsel legal review approval if required.
- 5.6.9 Documentation of purchase completion.
- 5.6.10 Documentation of purchase payment.
- 5.6.11 Notes page to document vendor performance or department satisfaction.

**5.7 Price Agreements (including Retainer Contracts and cooperative agreements).**

Price Agreements are agreements in which the vendor provides specific items or services to UO at a set price, during a specified period of time and subject to agreed terms and conditions. Departments may be able to obtain additional discounts not otherwise available and may not be subject to competition or legal review requirements. Price Agreements can save UO departments time, money and may result in a best value purchase solution. Departments are urged to use Price Agreements and may be required to use them for certain procurements.

5.7.1 There are two different categories of Price Agreements that UO may purchase from:

**5.7.1.1 UO Price Agreements and State of Oregon Price Agreements.**

Departments may access and buy off these agreements without

additional review by PCS beyond review of the Purchase Order or buying instrument as required by these Procedures.

**5.7.1.2 Cooperative or Group Purchasing Organization (“GPO”) price agreements (“Cooperative Agreements”).** Departments may access and buy off these agreements after PCS has reviewed and approved their use. The Chief Procurement Officer or designee, may approve a Cooperative Agreement so long as that Agreement was procured in a manner that meets the following criteria:

- a. The opportunity was advertised in the State of Oregon, either in print or online.
- b. The procurement process was conducted in a fair and competitive matter.
- c. The decision to award is based on reasonably objective qualitative and quantitative criteria.

**5.7.2 Blanket GPO Approval.** The Chief Procurement Officer or designee, may approve all Cooperative Agreements offered by a particular GPO, *en masse*, after reviewing the GPO procurement processes and determining the process meet the criteria established in Section 5.6.1.2 above.

**5.8 Alternative Procurement.** For any purchase over \$25,000, the Chief Procurement Officer or designee, may authorize alternative procurements when traditional competitive processes are unlikely to produce proposals that are responsive to UO objectives or otherwise diminish the UO’s obligation to secure best value in connection with the purchase of goods and services. The Chief Procurement Officer may approve an alternative process in the following circumstances:

- 5.8.1** There are a limited number of qualified respondents able to respond to a public procurement.
- 5.8.2** Qualified respondents, including but not limited to HUB certified vendors, are not able or are unwilling to respond to a formal procurement.
- 5.8.3** Due to a broad range of possible functional solutions and pricing, UO is unable to develop an adequate specification or project budget without significant vendor engagement.

- 5.8.4** The department is not required under these procedures to undertake a Competitive Process but believes performing an alternative Competitive Process is in the best interest of the department and UO.
- 5.9** As part of an alternative Competitive Process, UO must post an advertisement on the UO procurement website for at least 5 business days. Departments must create the procurement advertisement and submit the advertisement with a posting request to PCS. PCS will review and revise the advertisement in consultation with the department. PCS will then post the advertisement to the UO website. The procurement advertisement must clearly enumerate the process by which UO will undertake the posted procurement. The enumerated process may not require that respondents submit formal proposals, but the process must otherwise be devised in a manner that ensures compliance with all applicable law, regulations, policies, procedures, and ethical rules. Departments may obtain quotes via the UO website posting and by contacting vendors directly. Once these requirements are met, the department may select the vendor that provides the best value based upon the evaluation criteria. The University will maintain a record for any alternative Competitive Process that includes, but is not limited to, the: (a) rationale for the method of procurement; (b) rationale for the type of contract used; (c) basis for contractor selection or rejection; and (d) basis for the Contract Price for each transaction. This record may include but is not limited to the following:
- 5.9.1** Minimum specifications for the product or service.
  - 5.9.2** All award criteria, including Contract Price and any other factors used.
  - 5.9.3** Alternative Competitive Process approval from Chief Procurement Officer.
  - 5.9.4** Alternative Competitive Process solicitation documents.
  - 5.9.5** Documentation of solicitation document revisions and vendor communications.
  - 5.9.6** All vendor responses to the alternative Competitive Process.
  - 5.9.7** Copy of purchase document (*i.e.* PSC, custom contract or purchase order.)
  - 5.9.8** Documentation of all required approvals, including UO General Counsel legal review approval, if required.
  - 5.9.9** Documentation of purchase completion.
  - 5.9.10** Documentation of purchase payment.
  - 5.9.11** Notes page to document vendor performance or department satisfaction.

## 6. Competition Not Required for the Following.

- 6.1 Emergency Contracts.** The UO President or VPFA, or designee, may declare an Emergency when such a declaration is deemed appropriate. The reasons for the declaration will be documented and will include justifications for the procedure used to select the entity for a Contract within the scope of the Emergency declaration. After the President or VPFA or designee has declared an Emergency, UO may negotiate a Contract with any qualified entity for services included in the scope of the Emergency. The University will maintain appropriate records of negotiations carried out as part of the contracting process.
- 6.2 Sole Source.** If a department believes that, due to specific needs or qualifications, the goods or services it requires are only reasonably available from a Single Seller, the department may request PCS to approve the use of a Sole Source process for the procurement. The request to PCS must include written documentation of the proposed procurement and the basis for determining that the goods or services are available only from a Single Seller. The department will not proceed with its procurement as a Sole Source until PCS has received the written documentation and approved the use of a Sole Source process.

A compelling Sole Source justification demonstrates the link between the department and the program requirements and why the particular vendor's methods or goods are the only source reasonably capable of meeting those requirements.

As part of the Sole Source process, UO must post an advertisement on the UO procurement website for at least seven calendar days. Departments must create the Sole Source notice and submit the notice with a posting request to PCS. The notice must describe the goods or services to be acquired, identify the Single Seller, and include the date, time and place that protests are due (must be at least 7 days from date of posting.) PCS will review and revise the advertisement in consultation with the department. PCS will then post the advertisement on the UO website.

After the posting period and successful resolution of any protests, department may proceed to obtain any additional required approvals. Once all required approvals are obtained, the department may contract directly with the Single Seller. PCS will provide assistance and support throughout the process upon department request.

- 6.3 Special Entity.** UO may enter into Contracts without using a Competitive Process when the contracting entity is a federal, state, or local governmental agency, or a state Qualified Rehabilitation Facility certified by the Oregon Department of Human Services or the Oregon State Procurement Office. UO also may participate in cooperative procurements with other contracting agencies if it is determined, in writing, that the solicitation and award process for the Contract is reasonably equivalent to the respective process established in these rules and that the solicitation was advertised in Oregon.

- 6.4 Amendments to Contracts.** Contracts can be amended without performing a competitive process if the changes to the statement of work are within the original scope of the contract and any increase in the contract dollar amount does not result in the total value of the contract exceeding the dollar threshold of the original procurement method. If the proposed amendment is outside the original scope or increases the total contract value beyond the dollar threshold of the original procurement method, the contract may not be amended without written approval by the Chief Procurement Officer upon a showing of good cause by the department.
- 6.5 Expired Contracts.** If the term of a contract has expired, but the expired contract had allowed for additional term(s), the contract may be reinstated without a new competitive process upon the review and approval by the Chief Procurement Officer. If approved, PCS will prepare required Contract reinstatement documents.
- 6.6 Exemptions.** Subject to the fulfillment of the requirements set forth below, the types of Contracts listed in this section do not need to be competitively procured. If a department believes a procurement should fall within one of the exemptions listed below, the department should internally review and determine if the exemption applies and if using the exemption is in the best interest of the department and UO.

The department should document the determination to use an exemption in writing and place it in the procurement file. If the department proposes to use an exemption and the resulting Contract will require PCS approval, the department must submit written documentation to PCS of the proposed procurement, identification of the proposed exemption, and verification of the determination that using the exemption is in the best interest of UO.

The department will not proceed with the procurement under an exemption until PCS has received the written documentation and PCS has acknowledged in writing that the proposed procurement fits within the identified exemption. After acknowledgment, the department and PCS will proceed to contract directly with the vendor the department has selected. PCS is available to provide assistance and support throughout the process upon department request.

- 6.6.1** Educational services that relate directly to the instruction of University students.
- 6.6.2** Advertising and media services.
- 6.6.3** Price-regulated goods and services, including utilities, where the rate or price for the goods or services being purchased is established by federal, state, or local regulatory authority.



- 6.6.4** Goods or services under federal contracts. When the price of goods and services has been established by a contract with an agency of the federal government pursuant to a federal contract award, UO may purchase the goods and services in accordance with the federal contract. In addition, UO may purchase specific equipment that is only available from one source or use specific Entities that are expressly required under the terms of the contract.
- 6.6.5** Protected Intellectual Property. Protected Intellectual Property materials covered by this exemption may include, but are not limited to, copyrighted materials, licenses of patents, textbooks, workbooks, curriculum kits, reference materials, software, periodicals, library books, library materials, and audio, visual, and electronic media.
- 6.6.6** Investment contracts and retirement plan services, excluding consulting services.
- 6.6.7** Food and food-related products.
- 6.6.8** Maintenance services directly from the Contractor providing the goods or services or the original equipment manufacturer or creator of the goods or services.
- 6.6.9** Used personal property.
- 6.6.10** Goods or services purchased for resale to outside entities.
- 6.6.11** Goods or services related to intercollegiate athletic programs.
- 6.6.12** Cadavers or cadaveric organs.
- 6.6.13** Hotel reservations at a hotel that is the site for the conferences or workshop organized by outside entities.
- 6.6.14** Dues, registrations, and membership fees.
- 6.6.15** Gasoline, diesel fuel, heating oil, lubricants, natural gas, electricity, and similar commodities and products and the transportation thereof.
- 6.6.16** Supplies, maintenance, and services for ocean-going vessels when they are in a port other than home port.
- 6.6.17** Repair and overhaul of goods or equipment.
- 6.6.18** Goods or services purchased and provided in foreign countries.

- 6.6.19 Insurance and insurance-related contracts.
- 6.6.20 Grants, including services related to the development of grant applications and proposals.
- 6.6.21 Contracts for legal services, including professional or expert witnesses or consultants to provide services or testimony relating to existing or potential litigation or legal matters in which the University is or may become interested.
- 6.6.22 Contracts entered into, issued, or established in connection with:
  - 6.6.22.1 The incurring of debt by UO, including but not limited to the issuance of bonds, certificates of participation, and other debt repayment obligations, and any associated Contracts, regardless of whether the obligations that the Contracts establish are general, special, or limited;
  - 6.6.22.2 The making of program loans and similar extensions or advances of funds, aid, or assistance by UO to a public or private body for the purpose of carrying out, promoting, or sustaining activities or programs authorized by law; or
  - 6.6.22.3 The investment of funds by UO as authorized by law and other financial transactions of UO that by their character cannot practically be established under the Competitive Process.
  - 6.6.22.4 Grant-funded projects where the providers of goods or professional or personal service are named in Grant or identified in the Grant budget, unless the University determines it is in its best interest to require a Competitive Process.
- 6.6.23 Contracts for employee benefit plans as authorized by law.
- 6.6.24 Services provided by those in the medical community including, but not limited to, doctors, physicians, psychologists, nurses, veterinarians, and those with specific license to administer treatments for the health and well-being of people or animals.
- 6.6.25 Artists, performers, photographers, graphic designers, website graphic and layout design, and speakers.
- 6.6.26 Sponsorship agreements for UO events or facilities.

**7. Written Contract Requirement - Purchases of Goods or Trade Services Over \$5,000 & less than or Equal to \$25,000.** Any purchase of goods or trade services exceeding \$5,000 must be

documented by a written contract unless an exception is granted under **7.2** as noted below. Purchases of any other item must always be documented by a written contract, regardless of the total value of the contract. This includes, but is not limited to, real property and professional services.

**7.1 Forms of Written Contract.** A written contract includes any written agreement that meets the standard of a legally binding contract. These contracts must be signed by a UO employee with the appropriate level of contract authority, including [authority delegated by the President, Vice President for Finance and Administration](#), or [contracting authority delegated from PCS](#).

**7.2 Exemptions from written contract.**

**7.2.1 Request to Buy Direct with PCard.** When appropriate, PCS may grant exemptions to allow purchases without a written contract for commercial off-the-shelf goods if the total purchase is less than or equal to \$25,000. These exemptions can be for one transaction or for recurring transactions. Any exemption must be approved by PCS and documented in writing.

**7.2.2 Federal, State, or Local Government Agency.** The Chief Procurement Officer, or designee, may grant exemptions to allow purchases without a written contract for goods or services under \$25,000 when such goods or services are provided by a federal, state, or local government agency. Any exemption must be approved by PCS and documented in writing.

**7.3 Click-Through or Shrink Wrap Agreements.** UO recognizes that computer software is frequently purchased via Internet download under “click-through” or “click-to-agree” licenses, which may include payment and other terms. To the extent such licenses are not negotiable and are available to the general public on the same terms and conditions, any UO employee with delegated contracting authority is authorized to purchase computer software using such licenses up to their delegated limit of contracting authority. However, authority under this provision is limited to purchases not exceeding \$25,000. No UO employee should agree to a “click-to-agree” license for software used in connection with a federal award (i.e., a federal grant or contract) unless approved by the Chief Procurement Officer or their designee. Furthermore, no UO employee should agree to a “click-to-agree” license for software or systems that will house High Risk Data, as defined in the University Information Asset Classification and Management Policy, unless approved by the Chief Procurement Officer or their designee. Note: Any purchase of software must conform with University IT policy.

**7.4 Purchase Order.** Purchase orders are a form of written contract. When using a purchase order, UO employees must use an approved purchase order containing UO standard terms and conditions. The approved template is available at

<http://pcs.uoregon.edu/content/forms>. The department may issue a completed purchase order template directly to the vendor. The UO purchase order standard terms and conditions are required, unless the purchase order is subject to the terms and conditions of (a) a State of Oregon contract, (b) a University approved cooperative agreement, or (c) a PCS approved contract or price agreement. The terms and conditions must be provided to the vendor. If the vendor requests changes to the standard terms and conditions or requires a signature by an authorized UO signer, the department must contact PCS.

- 7.5 Invoices and Vendor Order Forms Incorporating UO Terms.** Invoices issued or order forms provided by a vendor satisfy the written contract rules so long as the invoice or order form includes, or is accompanied by, a signed written acknowledgment indicating that the invoice or order form is subject and subordinate to UO's applicable standard purchase order terms and conditions.

## **8. Real Property.**

- 8.1 Purchase and Sale of Real Property.** All purchases and sales of real property by UO must be approved by the Board of Trustees where the anticipated cost or value to UO exceeds \$5,000,000. Real property must be held in the name of the State of Oregon. For more information on the purchase and sale of real property, please contact PCS.

### **8.2 Leasing of Real Property.**

**8.2.1 Lease of UO Real Property.** Compliance with any applicable bond restrictions must be confirmed for any lease of UO-owned real property to a third party for less than fair market value or for a term of more one year. For more information, please contact PCS.

**8.2.2 Lease of Real Property by UO.** If a department desires to lease real property from a third party for use by UO, the department should contact PCS. PCS will work with the department, Campus Planning and Real Estate, and the office of the VPFA in completing such lease. If the proposed lease will exceed 20 years, prior approval of the lease by the Board will be required.

- 8.3 Use of UO Facilities.** UO may allow the use of UO facilities by third parties if such third parties fully reimburse UO for all appropriate costs and such use is consistent with UO policies and missions. Please see PCS' website for Facilities Use Templates.

**All other Real Property Matters.** For any other real property matter, please contact PCS.

## **9. Contract Administration.**

**9.1 Purchasing and Contract Records.** Each department must maintain records relating to all the department's purchasing and contracting transactions in accordance with the requirements of the UO Records Retention Schedule found at <https://recordsmanagement.uoregon.edu/>. Record retention requirements include keeping copies of all department contracts, including purchase orders, all invoices, and any Competitive Process documentation.

**10. Purchasing and Contracting Authorities.** Two types of authority are required to make UO purchases or to execute UO Contracts. The first is the designation to commit department funds and the second is delegated contracting authority to enter into agreements on behalf of the UO. Designation to commit department funds and contracting authority are two different types of authority and having one does not automatically grant any other authority. The following site provides greater detail: <https://pcs.uoregon.edu/content/delegated-contracting-authority>.

**10.1 Considerations for Delegation and Designation of Authority.**

**10.1.1 Employee Position.** When delegating authority consider the employee's position description, and the level of responsibility the employee holds within the department.

**10.1.2 Approval Types.** To make good purchasing and contracting decisions employees must be able to perform three types of approvals: Programmatic, Budgetary and Compliance.

**10.2 Segregation of Duties.** When structuring delegation of purchasing and contracting authorities the segregation of duties must be considered and applied. Segregation of duties means that one person should not be performing the functions of purchasing, receiving and approving. These functions should be split up among office personnel to provide checks and balances and a clear segregation of purchasing duties. The goal is to achieve the best checks and balances possible within a given department, by involving at least two people in any one transaction.

**10.3 Designation to Commit Department Funds.** This is a designation to review and approve an intended expenditure of department funds or to provide internal approval to proceed with a department purchase. This is not delegated contracting authority to Sign Contracts.

Department Budget Authorities have the responsibility and the authority to provide internal approvals to expend department funds. Department Budget Authorities include deans, directors, department heads. The Department Budget Authority may designate other UO staff as authorized to commit department funds internally within their department. To designate UO staff the Department Budget Authority must ensure completion of the following requirements:

**10.3.1** The Department Budget Authority's designation to commit department funds to a UO employee should be kept on file by the Department Budget Authority or their designee within their department.

**10.3.2** The specified UO employee has a current Signed statement on file within their department, stating they have reviewed and will comply with the Code of Ethics. The Signed statement must be filed annually.

**10.3.3** PCS Training courses are strongly recommended but not required for an employee to be designated to commit department funds.

**10.4 Delegated Contracting Authority (Less than or equal to \$25,000).** Generally, the Chief Procurement Officer administers the delegation of contracting authority to UO employees. UO employees do not have authority to sign a contract unless they have been given written delegated authority. Standard PCS Delegated Contracting Authority has been defined as level 1, otherwise known as **L1** (less than or equal to \$5,000) and level 2, otherwise known as **L2** (less than or equal to \$25,000).

**10.4.1 Limitations on Delegated Contracting Authority.**

**10.4.1.1 Employees with L1 delegated contract authority** may sign *form contracts with a total value of no more \$5,000* (for the list of acceptable forms to use with delegated contracting authority, visit <https://pcs.uoregon.edu/content/delegated-contracting-authority>). Employees with delegated signature authority may not sign custom contracts, contracts to employ UO employees, or contracts exceeding \$5,000 of total value.

**10.4.1.2 Employees with delegated L2 contract authority** may sign form contracts with a total value of no more \$25,000 (for the list of acceptable forms to use with delegated contracting authority, visit <https://pcs.uoregon.edu/content/delegated-contracting-authority>). Employees with delegated signature authority may not sign custom contracts, contracts to employ UO employees, or contracts exceeding \$25,000 of total value. The Chief Procurement Officer may delegate to individuals with L2 contract authority additional authority to sign department specific form contracts not posted on the PCS website and vendor contracts subject to UO standard terms and conditions, so long as such contracts do not exceed \$25,000 in total value.

**10.4.1.3 E-Procurement.** Department employees that have taken P-Card training may make purchases via the PCS managed e-Procurement platform (Duck Depot) of up to \$25,000. All vendor catalogs visible on

Duck Depot system have PCS verified competitive bid compliance, contracts, terms and conditions, pricing, and rebates. Grant funded purchases greater than \$5,000 must be reviewed and approved by Sponsored Project Services (SPS) department.

**10.4.2 Training and Requirements.** To receive written delegated contracting authority, employees must meet the following requirements:

- 10.4.2.1** The employee submits to PCS a request to receive contracting authority and obtains the approval from the employee's supervisor;
- 10.4.2.2** Classified and unclassified employees may be delegated contracting authority upon review by the Chief Procurement Officer or their designee.
- 10.4.2.3** Complete all required PCS training classes listed at <https://pcs.uoregon.edu/content/training>;
- 10.4.2.4** The specified UO employee has a current Signed statement on file within their department, stating they have reviewed and will comply with the Code of Ethics. The Signed statement must be filed annually;
- 10.4.2.5** Depending on the level of authority requested, the employee may be required to submit his or her first five to ten contracts (the final required amount will be determined by PCS) to PCS. PCS will provide feedback and training throughout this review period and after in order to establish a relationship of training, accountability, and communication. PCS will evaluate the employee's skill level, experience, and whether the scope of contracts that PCS has reviewed during the review period is representative of the full scope of the employee's duties. If PCS determines that the employee needs further training, up to or even beyond reviewing ten contracts, PCS will adjust the review period accordingly; and
- 10.4.2.6** If the employee receives more than \$5,000 of contracting authority, the employee agrees to participate in PCS-led campus contracting staff meetings at times and locations determined by the Chief Procurement Officer.

**10.4.3 Refresher Training.** PCS may require employees to participate in refresher training in order to refresh and update prior training.

**10.4.4 Amount of Delegated Authority.** The Chief Procurement Officer will determine the amount of contracting authority that will be granted to each employee that

has completed contracting training. The Chief Procurement Officer may delegate contracting authority up to \$25,000 for form contracts (including purchase orders). The Chief Procurement Officer will determine the appropriate amount to be delegated based on: (a) the needs of the department, and (b) the demonstrated skill and qualifications of the employee.

**10.4.5 Contract Authority Review.** Employee contracting activity will be periodically reviewed for compliance with UO policies and PCS procedures. Employees may be reviewed on an annual, semi-annual, or more frequent basis. Prior to commencing its review, PCS staff will request copies of one or more contracts or purchase orders, as well as other documents related to the selected transaction(s). At the conclusion of its review, PCS staff will provide a copy of its findings to the individual with delegated authority, with a copy to the department head or designee. A copy of each review will also be kept in the department's file at PCS.

**10.5 Department Responsibilities.** When performing purchasing and contracting functions, selecting individuals to serve as department budget authorities and contract authorities, or otherwise handling financial matters of the University, department employees must:

**10.5.1** Act within the UO Code of Ethics.

**10.5.2** Apply the best value principles in making purchases and awarding contracts.

**10.5.3** Provide programmatic, budgetary and compliance approvals while ensuring that all relevant UO policies and procedures are followed.

**10.5.4** Obtain all relevant approvals, including but not limited to:

- Sponsored Project Services (SPS) approval for purchases or agreements involving grant money.
- Information Services approval for software expenditures.
- Property Control approval for property loans.

For a more complete list of approvals, please refer to [Approvals List](#).

**10.5.5** Apply segregation of duties in the purchasing, receiving, and approval processes related to UO purchases and Contracts.

**10.5.6** Collect documentation to support purchases and Contract awards, including securing a fully executed Contract.

**10.5.7** Maintain purchasing and contracting documentation subject to the UO Records Retention Schedule, <https://recordsmanagement.uoregon.edu/>.



**10.5.8** Ensure purchase and contract reconciliations are performed and documented.

**10.5.9** Obtain a UO substitute W-9 for all executed Contracts, verbal or written with a new Vendor/Contractor not currently set-up in Banner. See UO Substitute W9 process and forms at <http://ba.uoregon.edu/staff/vendor-setup>.

**11. Training Programs.** PCS offers a variety of courses and training opportunities each year. See the [PCS Training](#) to view the current schedule of training opportunities.

**12. Forms.**

**12.1 Available Forms.** PCS will list and make available on the PCS website all contract forms available for use by departments. PCS will designate those forms that department personnel with delegated Contracting Authority may sign.

**12.2 Use of Forms.**

**12.2.1** In no case may PCS form contracts be used to create a contractual obligation that violates any of UO's policies.

**12.2.2** No terms of the form contracts may be modified without PCS approval with the exception of completing the "Form Fill" fields designated specifically for departmental modification.

**12.2.3** Modifications by PCS to a form contract for a specific transaction may not be applied to any subsequent transaction without the prior written approval of PCS.

**12.2.4** Departments may not split a transaction or create multiple form contracts for one transaction, in order to avoid competitive procurement process requirements or contracting authority limitations.

**12.3 Checklists.** Instructions for each designated form contract will be available on the [PCS Checklists](#) and will include a checklist of contract tasks. The checklist must be completed and signed prior to signing the form contract.

**13. Support and Review.**

**13.1 Support.** PCS, as the central procurement office on UO's campus, provides assistance to all departments in their purchasing and contracting efforts and also provides direct oversight and review of those departments with individuals who are delegated contracting authority by the Chief Procurement Officer.

**13.2 Contracting Best Practices and Nonconformance to Procedures.**

**13.2.1 Nonconformance.** A nonconformance is any action (or failure to act) that is not in accordance with UO policy or these procedures. Nonconformance includes, but is not limited to:

- Improper procurement methods.
- Contract execution without contracting authority.
- Execution of a contract that is not on a current approved template.
- Unauthorized revisions to an approved template.
- Execution of an agreement that exceeds delegated authority.

If, at any time, PCS determines that a nonconformance has occurred, the nonconformance will be categorized into one of two types: (a) unintentional non-conforming actions; and (b) intentional misconduct. Unintentional errors should be dealt with by noting the improper purchase in a log along with the corrective action taken with the employee who made the non-conforming purchase so that they understand correct procedure going forward. Intentional misconduct must be dealt with in accordance with the UO's policies and procedures on employee discipline for financial misconduct. PCS will refer the matter to the appropriate office, including any of the following: the employee's supervisors and department, Human Resources, the Office of the General Counsel, the Vice President for Finance and Administration, and Internal Audit. Discipline may include termination of employment and criminal prosecution, if warranted.

**13.2.2 After-the-Fact Transactions.** After-the-fact transactions are transactions where at least one party has completed performance prior to the execution of a written contract, where a contract is required. All after-the-fact transactions must be reviewed and resolved by PCS prior to payment. Resolution of an after-the-fact transaction under \$5,000 may be approved by all PCS staff with signature authority. Resolution of an after-the-fact transaction under \$25,000 may be approved by PCS Contracts Officers. Resolution of an after-the-fact transaction over \$25,000 must be approved by the Strategic Procurement Manager, Associate Director, or the Chief Procurement Officer.

**13.2.3 Contracting Best Practices.** Contracts will be reviewed for clerical errors, inadvertent mistakes, inadequate or inappropriate contractual language, and inadvertent missing information. PCS will provide additional training and assistance to those employees whose contracts do not meet best practices.

**13.2.4 Repeated Violations.** Departments which repeatedly violate UO policy or these procedures, or which repeatedly fail to meet Contracting Best Practices may be subject to additional actions.

