Purpose
To establish the general policy and procedure for the Utah Department of Transportation (Department) for procuring equipment, supplies, and services, as administered by the Department’s Procurement Division. Procurement of engineering consulting services, of construction services, and of utility relocation services are governed by UDOT Policies 08A1-01, 08B-12, and 08B-29 respectively.

Policy
Purchases by the Department follow State of Utah Procurement Code (63G-6a), Utah Administrative Code (R33), and Delegations provided to the Department by the State Chief Procurement Officer. Department employees who may authorize, initiate, process, approve, or review purchases must complete all required training.

A. **Required Sources** – Utah Code requires that the item or service be purchased from the following if the item or service is available from one of these sources:
   - Utah Correctional Industries (UCI)
   - State Mail and Distribution (DAS/Mail)
   - State Print Services (DAS/Print)
   - State Fleet Operations (DAS/Fleet)
   - Department of Technology Services (DTS)

The Procurement Division will verify that an item or service is not available from a required source prior to entering into an agency contract. Department employees may conclude that an item or service is not available from a required source if an agency contract exists.

The Department may request an exception to procure the item or service from another source if the item or service offered by the required source listed above does not meet the reasonable requirements of the Department, or if the item or service cannot be supplied within a reasonable time, or if the cost of the item or service is not competitive with the cost of procuring the item or service from another source. The exception must be granted in writing by the director of the required-source agency and by the State Chief Procurement Officer.
B. **Contract Purchases** – Contracts are set up to guaranty that the State receives the best value when procuring items and services. The Department will use the contract to purchase the item or service if an item or service is not available from a required source and is available through a contract. There are two types of contracts: State cooperative contracts and agency contracts.

1. **State cooperative contracts** – The Department of Administrative Services Division of Purchasing (DAS/Purchasing) enters into State cooperative contracts with suppliers to provide items and services. Any State agency may use these State cooperative contracts.

2. **Agency contracts** – DAS/Purchasing will not enter into a State cooperative contract when an item or service is required by the Department, but not by other State agencies. The Department will instead enter into an agency contract for the item or service. The Department’s agency contracts may be used by the Department only. The Department’s agency contracts are set up only after the Procurement Division verifies that the item or service is not available from a required source or through a State cooperative contract. Department employees should search the Department’s agency contracts prior to searching the required sources and State cooperative contracts to save time and effort while searching for items and services available from contracts.

Items and services on contract may be purchased as long as the expenditure of funds is authorized. A procurement may be exempted from the requirement to use the contract only in certain cases specified by the Procurement Code and reiterated in this policy: emergency situations, urgent and unanticipated situations, and exceptions made in the best interest of the State.

C. **Emergency Purchases (Contract Available or No Contract Available)** – Employees will address the emergency situation immediately if a situation arises that creates a threat to the public health, welfare, or safety. Emergency procurements are limited to only those supplies, services, or construction items necessary to meet the emergency. Employees will contact the Procurement Division as soon as possible, and the Procurement Division will review and authorize the emergency procurement. The Procurement Division’s authorization may occur after the emergency procurement has occurred.

D. **Unanticipated Urgent Purchases (Contract Available)** – Employees are not required to utilize contracts if the procurement item or service is obtained for an unanticipated and urgent circumstance, including:
   - an item needed to avoid stopping a public construction project,
   - an immediate repair to a facility or equipment,
• another urgent condition.

Employees will contact contracted vendors first. Employees will obtain verbal or, preferably, written approval from the District Engineer or Group Leader in the form of a completed Urgent Purchases Authorization Form (Form PRO-01U) prior to making the purchase if the contracted vendors are unable to supply the items or services and the total purchase does not exceed $5,000. Employees will contact the Procurement Division if the total purchase will exceed $5,000. The Procurement Division must be involved if the total purchase exceeds $5,000. Employees must submit a completed Form PRO-01U with the invoice to the accounting office or administrative group, even if the original approval from the District Engineer or Group Leader was verbal.

E. Small Purchases (No Contract Available) – The purchase can be made from any vendor if all three conditions are met if no contract is available for an item or service:
• each individual item is $1,000 or less,
• the total purchase is $5,000 or less, and
• the cumulative total of the Department’s non-contract purchases from the vendor does not exceed $50,000 in a fiscal year.

These thresholds are also known as the individual procurement threshold, the single procurement aggregate threshold, and the annual cumulative threshold, respectively. Employees will not split purchases with the intent of circumventing any of these thresholds.

All employees who authorize, initiate, process, approve, or review purchases must complete the Small Purchases Training developed by DAS/Purchasing.

F. Non-Small Purchases, Multiple Sources (No Contract Available) – The total purchase price will determine the procurement requirements if no contract is available for an item or service, and the procurement does not qualify as a Small Purchase as detailed in Section E, and the item or service is available from multiple sources:
• The Procurement Division’s involvement is not required if the total purchase is between $1,000 and $5,000. The purchaser will obtain at least two, preferably three quotations and purchase from the lowest responsive and responsible bidder.
• The request must be submitted to the Procurement Division via the Procurement Services Online (PSO) system if the total purchase is above $5,000.
G. **Non-Small Purchases, Sole Source (No Contract Available)** – The request must be submitted to the Procurement Division via PSO if no contract is available for an item or service, and the procurement does not qualify as a Small Purchase as detailed in Section E, and the item or service is available from only one source. The purchaser is responsible for filling out a sole source request form and attaching it to the PSO request.

H. **Best Interest of the State Purchase (Contract Available)** – The chief procurement officer for the contract can allow an exception to purchase from a non-contract vendor if the item or service is available on a State cooperative or agency contract and if the Department can demonstrate in writing that all of the following are equal to or better than the contract: terms and conditions, maintenance and service offered, warranty, quality, and cost.

The State Chief Procurement Officer will issue the exception in writing for State cooperative contracts. The Executive Director or designee will issue the exception in writing for agency contracts. The exception must be approved, issued, and submitted to the Procurement Division before the procurement from a non-contracted vendor may proceed.

**Definitions**

- **Annual Cumulative Threshold**: the maximum amount of small purchases that may be purchased by the Department in a fiscal year from a single vendor; R33 has set the threshold at $50,000

- **Authorization Required Contract**: a contract which requires additional authorization in order to use

- **Capital Outlay**: expenditures for vehicles, printing equipment, software, or any other tangible or intangible asset with a useful life greater than one year and a cost greater than $5,000

- **Department Chief Procurement Officer**: Executive Director of the Department; the chief procurement officer for agency contracts

- **ELCID**: elective charge ID, formerly DAS ID; used by State agencies as abbreviations for entire FINET coding blocks

- **FINET**: financial system administered by the Department of Administrative Services Division of Finance (DAS/Finance) and used by all State agencies

- **Individual Procurement Threshold**: the maximum amount that one item or service may cost, the maximum cost per item or unit; R33 has set the threshold at $1,000
**LPD:** Limited Purchasing Delegation; purchasing authorization given by DAS/Purchasing enabling the recipient to independently authorize certain procurements

**Master Agreement:** the FINET document for contracts, abbreviated “MA”, not to be confused with an “MA” designating a Multiple Award Contract

**Multiple Award Contract:** a contract which is awarded to multiple vendors; these types of contracts give specific requirements such as contacting a certain number of contracted vendors prior to purchase

**P-card:** State-issued payment card that may be used to pay for State expenses, may not be used to pay for 1099-reportable services, see P-card policy and agreement on the website of DAS/Finance

**PSO:** Procurement Services Online; the system used and maintained by the Procurement Division to track purchase requests

**Single Procurement Aggregate Threshold:** the maximum amount that a collection of individual procurements purchased at the same time may cost, the maximum total purchase cost; R33 has set the threshold at $5,000

**Small Purchase:** a purchase that does not exceed the individual procurement threshold, the single procurement aggregate threshold, and the annual cumulative threshold, requires completion of DAS/Purchasing training

**Sole Source:** a procurement situation in which the item or service is available from only one source

**State Chief Procurement Officer:** Director of DAS/Purchasing; the chief procurement officer for State cooperative contracts

**Background**

**Purchases under Title 72 – Transportation Code:**
UCA 72-1-202(e) grants the Executive Director of the Department authority to “purchase all necessary equipment and supplies for the department.” UCA 63G-6a-106(3)(1) states that the Department “may make rules governing the procurement of highway construction or improvement.” The Executive Director has delegated this authority to the Procurement Division Manager, who may independently approve all such Title 72 procurements, regardless of amount.
**Purchases under Chapter 63G-6a – Procurement Code:**

UCA 63G-6a-302(4) grants the State Chief Procurement Officer authority over all procurements except those with independent procurement authority and those with expressly provided procurement authority in the Procurement Code (such as Title 72 authority). The State Chief Procurement Officer has issued to the Procurement Division Manager a delegation of limited purchasing authority (LPD017) that allows the Procurement Division Manager to independently approve purchases up to $30,000 for procurements that do not qualify as Title 72 procurements.
Responsibility: All Department employees with purchasing authority

Actions

1. Complete successfully the Small Purchases Training developed by DAS/Purchasing.

2. Determine if the situation is a threat to the public health, safety, or welfare. Follow the procedure for emergency purchases (refer to Procedure 02A-01.2) in this case.

3. Determine the quantity and specification of the item or service needed.

4. Obtain managerial authorization to expend funds.

5. Work with the appropriate Department division (refer to Policy 08A1-01, 08B-12, and 08B-29) if the item or service needed involves engineering services, construction, or utilities relocation.

6. Contact the Equipment Management Division for purchases of vehicles and heavy equipment, the Department of Technology Services for information technology projects and purchases, or the Comptroller’s Budget Office for all other capital outlay purchases.

7. Search the Department’s agency contracts on the Procurement Division’s Web site and determine if the item or service is available on an agency contract.

8. Use the contract to make the purchase (refer to Procedure 02A-01.5), unless the situation qualifies as an unanticipated urgent purchase (refer to Procedure 02A-01.5) if the item or service is available on an agency contract.

9. Determine if the item or service is available from UCI, DAS-Mail, DAS-Print, DAS/Fleet, or DTS.

10. Make the purchase from that source (refer to Procedure 02A-01.3) or obtain written permission to make the purchase elsewhere (refer to Procedure 02A-01.4) if item 9 applies.

11. Search State cooperative contracts on DAS/Purchasing’s website and determine if the item or service is available on a State cooperative contract.
12. Use the contract to make the purchase (refer to Procedure 02A-01.5), unless the situation qualifies as an urgent unanticipated purchase (refer to Procedure 02A-01.6) if the item or service is available on a State cooperative contract.

13. Determine individual unit price, the total purchase price, and the number of potential suppliers of the item or service.

14. Proceed with the purchase by following Procedure 02A-01.7 if no other procedure applies.
Emergency Purchases

Responsibility: All Department employees with purchasing authority

Actions

1. Determine the quantity and specification of the item or service needed to address an emergency condition. Emergency procurements are limited to only those supplies, services, or construction items necessary to meet the emergency.

2. Contact the Procurement Division as soon as possible via phone call, voice mail, or email to explain the situation.

3. Make the procurement with as much competition as reasonably practicable while avoiding harm, or risk of harm, to the public safety, welfare, or property.

4. Obtain at least two, preferably three quotations for purchases of $1,000 to $5,000 that are not under State cooperative or agency contract, if time permits.

5. Send a description of the emergency condition and, if time permits, quotations to the Procurement Division.

6. Enter requisition into PSO for purchases over $5,000 as soon as the emergency situation permits.

7. Include the required specification and emergency justification information in the PSO.

8. Purchase from the lowest bidder meeting scope of work or specifications.

9. Receive item or service.

10. Check bill of lading and verify receipt.

Responsibility: Procurement Division

11. Review request in PSO for completeness and accuracy.

12. Review emergency procurement for compliance with emergency procurement rules.

13. Determine the applicable purchasing authority.
14. Proceed with procurement authorization, following procurement rules.

15. Authorize in writing the emergency procurement, stating the emergency condition that necessitated the procurement.

16. Provide the purchaser with an approval number.

**Responsibility:** Purchaser

17. Receive invoice and verify correct quantity and pricing; approve for payment.

18. Pay with p-card if appropriate.

19. Forward all documentation to Comptroller’s Office or Region Accounts Payable group.

**Responsibility:** Comptroller’s Office, Region Administration Offices

20. Verify payment is made and coded correctly in FINET, by reconciling the p-card IET document or by entering a PRC, GAX, or GMA document.
Purchases from Other State Agencies

Responsibility: All Department employees with purchasing authority

Actions

1. Contact your IT Coordinator to order software, IT consulting services, and DTS-supported hardware through DTS. End users may order directly from the providing agency for all other items and services.

2. Use the correct accounting (either a full FINET coding block or an ELCID) information to order from the producing or distributing agency.

3. Verify receipt of item or service, and pricing.

4. Forward documentation to Comptroller’s Office or Region Administration Office.

Responsibility: Comptroller's Office, Region Administration Offices

5. Verify that interagency transactions (IET, ITI and ITA documents) post correctly in FINET.
Release from Purchasing from Other State Agencies

Responsibility: All Department employees with purchasing authority

Actions

1. Submit request for exception to Region Administrative Services Manager or Comptroller’s Service Center Manager if the item is available from another State agency but the cost, specifications, or availability from that State agency does not meet user requirements.

Responsibility: Region Administrative Services Managers, Comptroller’s Service Center Manager

2. Review request and compare non-State source to State source based on cost, specifications, and availability.

3. Forward valid requests to Procurement Division Manager.

Responsibility: Procurement Division Manager

4. Review request and forward valid requests to the Director of the other State agency and to the State Chief Procurement Officer.

Responsibility: Director of other State Agency, State Chief Procurement Officer

5. Approve in writing or deny request for exception.

Responsibility: Procurement Division Manager

6. Communicate result to requestor.

Responsibility: All Department employees with purchasing authority

7. Proceed with procurement as advised by the Procurement Division Manager.
Responsibility: All Department employees with purchasing authority

Actions

1. Obtain prior authorization as detailed in the contract if the contract is an Authorization Required contract.
2. Follow the requirements of the contract if the contract is a Multiple Award contract.
3. Order directly from the contracted vendor.
4. Receive item or service.
5. Verify that the item or service meets specifications.
6. Receive invoice.
7. Verify that the quantity and pricing are correct.
8. Approve for payment.
9. Pay with p-card if appropriate.
10. Send all documentation to Comptroller’s Office or Region Accounts Payable group.

Responsibility: Comptroller’s Office, Region Administrative Offices

11. Verify that payment is made and coded correctly in FINET, either by reconciling the p-card IET document or by entering a PRC or GMA document.
Unanticipated Urgent Purchases  
UDOT 02A-01.6

Responsibility: All Department employees with purchasing authority

Actions

1. Determine that an unanticipated and urgent situation exists.

2. Determine the quantity and specification of the item or service needed to address the urgent situation.

3. Determine applicable contracts by searching agency contracts on the Procurement Division’s website and State cooperative contracts on DAS/Purchasing’s website.

4. Obtain quotations – preferably three.

5. Complete Urgent Purchases Authorization Form (Form PRO-01U) if time permits. Otherwise, request verbal approval from District Engineer or Group Leader.

6. Contact Procurement Division if the request exceeds $5,000.

Responsibility: District Engineer or Group Leader

7. Evaluate request for compliance with urgent and unanticipated criteria.

8. Approve appropriate requests either verbally or by signing Form PRO-01U.


Responsibility: Purchaser

10. Purchase from the lowest bidder meeting scope of work or specifications.

11. Receive item or service.

12. Check bill of lading and verify receipt.

13. Receive invoice and verify correct quantity and pricing.


15. Pay with p-card if appropriate.
16. Forward all documentation to Comptroller’s Office or Region Administrative Office.

**Responsibility:** Comptroller’s Office, Region Administrative Offices

17. Verify payment is made and coded correctly in FINET, by reconciling the p-card IET document or by entering a GAX document. Enter “PRO-01U” in the accounting line description.
Responsibility: All Department employees with purchasing authority

Actions

1. Verify that the purchaser has successfully completed Small Purchases Training.

2. Proceed with the purchase if individual unit price is under $1,000 and the total purchase price is under $5,000. The purchase qualifies as a Small Purchase.

3. Obtain at least two, preferably three quotations and purchase from the low responsible and responsive bidder if purchase is over $1,000 and under $5,000. The purchase does not qualify as a Small Purchase.

4. Submit all documentation with invoice for payment.

5. Complete a sole source request form and enter into PSO including all required information if purchase is over $1,000 and available from only one source.

6. Enter into PSO including all required information if purchase is over $5,000.

Responsibility: Procurement Division

7. Verify accuracy and completeness of PSO request and information.

8. Determine applicable purchasing authority.

9. Proceed with completion of request following applicable procurement rules.

Responsibility: Purchaser

10. Review bids as applicable, and give award recommendation to Procurement Division purchasing agent.

Responsibility: Procurement Division

11. Create purchase order or contract documents.

12. Distribute to purchaser and to vendor.
Responsibility: Purchaser

13. Receive item or service.

14. Check bill of lading and verify receipt.

15. Receive invoice.

16. Verify correct quantity and pricing.

17. Approve for payment.

18. Pay with p-card if appropriate.

19. Forward all documentation to Comptroller’s Office or Region Administrative Office.

Responsibility: Comptroller’s Office, Region Administrative Offices

20. Verify payment is made and coded correctly in FINET, by reconciling the p-card IET or by completing a GAX, PRC, or GMA document.

Responsibility: Procurement Division

21. Monitor all non-contract purchases to verify that the Department does not exceed the annual cumulative threshold for any vendor.