

# PROCUREMENT SERVICES POLICY 2 PURCHASING AUTHORIZATIONS AND PRACTICES

The University of North Carolina at Greensboro

Approved by Paul Forte, Interim AVC for Finance, March 29, 2022

Revised March 29, 2022

## 1. Purpose

This policy describes the source of authority for purchasing and practices used to purchase, including purchasing from all fund sources.

## 2. Scope

This policy applies to all University employees, departments, units and divisions.

## 3. Definitions and Roles and Responsibilities

### 3.1 Definitions

AGENCY: All departments, institutions, boards, commissions, universities, or other units of the State (including the Division of Purchase & Contract), and community colleges and local school administrative units, unless specifically exempted herein by reference.

STATEWIDE TERM CONTRACT: A contract handled by Purchase and Contract, or Statewide IT Procurement Office for all agencies, unless exempted by statute, rule, or special term and condition specific to that contract.

PURCHASE: The solicitation of, and acceptance of, an offer to (1) provide a service, or (2) lease or rent a commodity, or (3) sell a commodity outright, or (4) sell a commodity through a lease purchase or installment purchase contract

See [State of NC Procurement Manual](#), Glossary of Terms, for additional Procurement definitions.

## 4. Policy

### Authority to Purchase

UNCG as well as all state agencies in North Carolina, including the UNC System universities, are required by General Statutes to purchase goods and services in accordance with the policies and procedures established by the Department of Administration, Purchase and Contract Division. Such policies and procedures can be found in the [State of North Carolina Agency Purchasing Manual](#).

The University of North Carolina Greensboro is executed under the auspices of the Chancellor pursuant to authorities granted by North Carolina General Statute [143-53](#) and [116-31](#). As such, the authority to obligate 'State funds', as described in the [Executive Budget Act \(General Statute 143-1\)](#), for requirements of the University flows down from the North Carolina Secretary for Administration through the State Division of Purchase and Contract and The University of North Carolina Board of Governors as provided under [North Carolina General Statute 116-31.10](#) and promulgated in [North Carolina Administrative Code Title 1, Chapter 5 \(T01:05\)](#) and implemented under the State Agency Purchasing Manual.

The execution of these responsibilities is, in turn, delegated through the Office of the Chancellor to the University's Procurement Services under the umbrella of the Vice Chancellor for Finance and Administration. As such, the Procurement Services is the sole department on campus having the authority to place purchase orders and authorize the use of small purchase procedures to acquire commodities (i.e., supplies, materials, and equipment) and contractual services (to include, printing, professional and consultant services) by purchase, rent, lease, lease purchase or installment purchase. The Procurement Services also executes purchases of construction repair and renovation as prescribed by [General Statute 143-129](#) and as described by the [State Construction Manual, Section 101](#), with authority delegated to the Facilities Operations, Residence Life and Auxiliary Services for pre-award actions.

### **Funding Sources**

#### **Applicability of State Purchasing Practices**

Per Title 1, Chapter 5B, Subchapter 1505, Paragraph A of the [North Carolina Administrative Code \(01 NCAC 05B.1505\)](#) indicates all public funds irrespective of source, whether special, federal, local, gifts, bequests, receipts, fees, or State appropriated, used for the purchase, rental, lease, installment purchase and lease/purchase of commodities, printing and services shall be handled under the provisions of [Article 3 of General Statute 143](#) and in accordance with rules adopted pursuant thereto by the Division of Purchase and Contract.

### **Departmental Funds**

The University administratively operates on the principle of decentralized fiscal responsibility (or budget allocations to the college, schools and departments) and internal management control. The administrative head of each unit, accordingly, is responsible for the expenditure of this allocation.

[Chapter 143C](#) State Budget Act prohibits the obligation of State funds prior to these actions and the expenditure of monies for any purpose for which it was not appropriated.

The authority to make purchases from departmental budgets is provided to the Procurement Services by the authorized submittal of an on-line requisition. In some cases, this authority to approve charges against a departmental budget is delegated by the administrative head to others. Such a delegation, however, does not relieve the primary party from the responsibility for the allotted budget and its use.

### **Grants and Contracts**

The expenditure of budgeted funds from grants or contracts is guided by the [University's Contract and Grant Accounting Policies and Procedures](#).

Research funds, whether grants or contracts, are awarded to the University and not the individual principal investigator or a particular department. Purchases that are funded by at least 51% with contract and grant funds are subject to the terms of the grant ([GS116-13](#)). Responsible purchasing practices should be followed.

### **Purchasing Practices**

Purchases originate with the authorized submittal of a purchase order requisition and are consummated with the issuance of a purchase order by the Procurement Services or use of the PCard (VISA).

No purchase nor any action leading to the commitment of the University may be initiated without the submittal of a fully funded and properly executed on-line requisition. Failure to submit a proper requisition will delay the purchasing process.

Soliciting without the evidence of the availability and intent to expend funds can adversely impact the University. Actions of this nature may be considered "frivolous bidding" and serve as basis for recovery of bidding and bid preparation costs as well as a suit by a vendor. As well, unauthorized commitments made on behalf of the University may become a personal liability if not ratified by the Procurement Services. Campus departments play an active role in contract administration and quality assurance of the University's purchases as these responsibilities are specifically delegated and as necessary for each individual procurement. Contract administration by the Procurement Services is performed on a by-exception basis. Solely Procurement Services, however, has the authority to alter any obligation legally created on behalf of the University as well as cause any termination action.

Purchases are subject to the terms and conditions of the State and the University under North Carolina law, and, in the instance of federally funded grants and contracts, Federal law; vendor/contractor terms of sale and conditions are subjugated to these.

Purchases, as well, are bound by the mandates for competition and the use of specific sources of supply. It is the policy of the University to establish the environment for fair

and equitable competition in its purchases, consistent with the efficient performance of the University's contractual obligations and other mandated programs.

Competition serves as the basic architecture of all [University Purchasing \(General Statute 143-52\)](#) where competitively acquired pricing provides for the award of requirements to the lowest and most advantageous offer considering the offeror's: product or service cost, quality, suitability and conformity, delivery and performance; capacity and capability. Other factors specified in the University's solicitation of the requirement may be considered in making the award, as well.

### **Support of State Mandated Sources of Supply**

It is the University policy to adhere to the State's requirement to use mandatory and preferred sources of supply and services. These requirements are established by North Carolina statute and the State Division of Purchase and Contract, North Carolina Department of Administration

[NC Administrative Code \(NCAC\) 05B.1101](#)

[NC General Statute 116-13 \(b\)](#)

Exceptions for extenuating circumstances involving better pricing and urgent delivery should be approved in advance and documented.

## **5. Compliance and Enforcement**

The Director of Procurement and Contracts is responsible for ensuring compliance with this policy.

Instances of a flagrant "unauthorized commitment" may be briefed by the Director of Procurement Services to the Associate Vice Chancellor, and the Vice Chancellor for Finance and Administration, as deemed appropriate. Where the circumstances may warrant, the election of whether to "ratify" the unauthorized act may be based on the decision of the Associate Vice Chancellor or Vice Chancellor. Repetitive instances of "unauthorized commitments" may result in further administrative actions.

## **6. Additional Information**

### **6.1 Supporting Documents**

[UNC System Procurement Information](#)

[NC DOA Procurement Rules](#)

[SpartanMart](#)

[Procurement Procedure A Purchasing from Commercial Vendors](#)

### **6.2 Approval Authority**

This policy will be approved by the Interim Associate Vice Chancellor for Finance.

### 6.3 **Contacts for Additional Information and Reporting**

- Responsible Executive: Michael Logan, Director of Procurement Services, (336)334-4104, **mflogan@uncg.edu**
- Responsible Administrator: Richard Fleming, Assistant Director of Procurement Services, (336)334-3078, **rrflemin@uncg.edu**