

September 27, 2017

TO: Members of the Board of Trustees

FROM: Scott A. Jordan  
Executive Vice President for Administration and Chief Financial Officer 

RE: Notice to Board of Trustees and the Public that the University is Considering the Adoption of Procurement Policies Pursuant to Public Act No. 17-130

RECOMMENDATION:

It is recommended that the Board of Trustees adopt procurement policies, pursuant to Public Act No. 17-130, to provide the University of Connecticut with the option to enter into certain contracts for the purchase of goods and services or to lease personal property using procurement procedures that differ from those prescribed in Conn. Gen. Stat. § 10a-151b(b). Drafts of the proposed policies are attached.

This memorandum is to notify the Board, interested persons, and the general public that the University is considering the adoption of the proposed policies and will be accepting comments.

BACKGROUND:

On June 30, 2017, Public Act No. 17-130 (“Act”) was signed into law. The Act authorizes the Board of Trustees to adopt policies that would allow UConn to enter into certain contracts for the purchase of goods and services or to lease personal property using procurement procedures that differ from those prescribed in Conn. Gen. Stat. § 10a-151b(b). UConn supported this legislation during the 2017 Regular Legislative Session, as did the Board of Regents for Higher Education. The purpose of the legislation was to enable certain contracting activities undertaken by higher education institutions to be performed more efficiently and effectively.

The proposed procurement policies would cover contracts for the purchase of goods and services or the lease of personal property that (1) are made outside the United States and used abroad; (2) are made as part of a collaboration agreement; or (3) do not involve the expenditure of state or certain institutional funds.

The Act requires the Board to provide “a reasonable opportunity for interested persons to present their views on such policies prior to adoption.” This requirement is similar to the process used to amend UConn’s By-Laws, which requires that notice be provided at one Board meeting and action be taken at a subsequent meeting.

The proposed policies have been, or will be, posted to the Procurement Services webpage. Anyone interested in commenting on the proposed policies can submit written comments on the webpage or by mail to an address provided on the webpage. Comments will be accepted for thirty days following posting.

#### NOTIFICATION

The Board of Trustees invites all interested persons to review the proposed policies and submit written comments through a Procurement Services webpage developed for this purpose (<http://contracting.uconn.edu/draft-policies-comment-submission-form/>) or by mailing their comments to the address listed on the webpage.

The administration will collect and summarize the comments. The administration may, after reviewing the comments and making any appropriate changes, present the policies to the Board for adoption at one of its regularly scheduled meetings. Prior to adopting the policies, the Board will allow the public to provide additional comments during the public participation portion of that meeting.

A copy of this notice will be posted on UConn’s Procurement Services website no later than noon September 28, 2017 and will remain posted until the Board puts the approval of such policies on the agenda for a regular Board meeting.

Attachments: Draft Policy for Purchases for Use Abroad  
Draft Policy for Purchases Made Using Outside Funds  
Draft Policy for Purchasing Through Collaboration Contracts

<b>Policy Number</b>	SP (Sourcing Policies)-1
<b>Title</b>	Purchases for Use Abroad
<b>Policy Owner</b>	Procurement Services
<b>Applies to</b>	Faculty and Staff
<b>Campus Applicability</b>	All campuses, including UConn Health
<b>Effective Date</b>	<input type="text"/>
<b>For More Information Contact</b>	<input type="text"/>
<b>Contact Information</b>	<input type="text"/>

## REASON FOR POLICY

Most of UConn's purchases are made in the United States or are made overseas for use in the United States. But UConn is a global research University that sponsors, or participates in, teaching, research, and other programs around the world. These programs provide important educational opportunities for students and support research and service by faculty and students.

This Policy is established pursuant to Section 2(b)(1)(B) and Section 3 of Public Act 17-130, which authorizes UConn to develop policies for the purchase of equipment, supplies or services, or the lease of personal property (i) to be used outside of the United States, and (ii) where the other party to the contract is located outside of the United States. These purchases are referred to in this Policy as "Overseas Purchases."

The purpose of this Policy is to establish a framework for procedures pursuant to which UConn can make Overseas Purchases. Overseas Purchases are used to assist UConn in pursuing its teaching, research, clinical, public service, and economic development missions. Making Overseas Purchases effectively and prudently will help UConn to fulfill its missions.

## APPLIES TO

Faculty and staff on all campuses, including UConn Health.

## DEFINITIONS

**"Overseas Purchase"** is a Purchase (i) to be used outside of the United States and (ii) where the other party to the contract is located outside of the United States.

**"Partner Institutions"** are any of the following that are located outside the United States and with which UConn jointly supports teaching, learning, or research programs: research institutes, laboratories, government agencies, quasi-governmental agencies, non-government organizations, members of a consortium of which UConn is a member, colleges, and universities.

**"Purchase"** is the purchase of equipment, supplies, or services, or the lease of personal property.

**"Simplified Acquisition Threshold"** is a threshold set by the Federal Government for purchasing goods and services in a manner that, as stated in Section 13.002 of the Federal Acquisition Regulations, "[p]romote[s] efficiency and economy in contracting" and "avoid[s] unnecessary burdens." The Simplified Acquisition Threshold is set in Subpart 2.1 of the Federal Acquisition Regulations and is currently \$150,000.

## POLICY STATEMENT

- A. The President or the President's designee shall adopt procedures for entering into contracts for Overseas Purchases, including identifying vendors for Overseas Purchases. Such procedures shall be consistent with this Policy.
- B. UConn shall make Overseas Purchases in a manner consistent with applicable law, provided that the following shall be exempt from CGS §10a-151b(b) and regulations adopted pursuant to CGS §4e-47:
  - (1) Overseas Purchases from Partner Institutions, or from vendors located outside the United States identified by Partner Institutions, if such Purchases serve jointly-supported teaching, learning, or research programs.
  - (2) Overseas Purchases up to the Simplified Acquisition Threshold. UConn shall request quotations from at least three prospective vendors before making such purchases.
  - (3) Overseas Purchases entered into consistent with the following:

- UConn shall attempt to identify as many prospective vendors as is practical and cost effective, considering the challenges associated with each purchase. Such challenges may include geographic limitations, language barriers, the availability or absence of technology, the ability to identify vendors that are reliable and safe, and local laws and regulations.
- When more than one prospective vendor is identified, UConn shall conduct an appropriate competitive process. The competitive process shall take into consideration the challenges of participating in a formal procurement process, including the factors set forth above.

C. The procedures adopted pursuant this Policy shall include a method for reporting any contract exempted under Paragraph B of this Policy that is entered into or amended. As required by Section 3(b) of Public Act 17-130, not later than January 1, 2018, and annually thereafter, such report shall be submitted to the joint standing committees of the General Assembly having cognizance of matters relating to higher education and government administration.

## ENFORCEMENT

Violations of this Policy may result in appropriate disciplinary measures in accordance with University Laws and By-Laws, General Rules of Conduct for All University Employees, applicable collective bargaining agreements, and the University of Connecticut Student Code.

## PROCEDURES/FORMS

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## POLICY HISTORY

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Policy Number	SP (Sourcing Policies)-2
Title	Purchases Made Using Outside Funds
Policy Owner	Procurement Services
Applies to	Faculty and Staff
Campus Applicability	All campuses, including UConn Health
Effective Date	[ ]
For More Information Contact	[ ]
Contact Information	[ ]

## REASON FOR POLICY

Most of UConn's purchases are made with State and Certain Other Institutional Funds (defined below). But some purchases are made with funds that come from other sources. This Policy is established pursuant to Section 2(b)(1)(A) and Section 3 of Public Act 17-130, which authorizes UConn to develop policies for purchases that do not involve the expenditure of State and Certain Other Institutional Funds. Funds other than State and Certain Other Institutional Funds are referred to in this Policy as "Outside Funds."

Outside Funds include federal and philanthropic grants, sponsored research and other sources.

The purpose of this Policy is to establish a framework for procedures pursuant to which UConn can enter into contracts using Outside Funds. Outside Funds are used to assist UConn in pursuing its teaching, research, clinical, public service, and economic development missions. Those missions are vital to discovery, innovation, and job creation in the State of Connecticut. Using Outside Funds effectively and prudently will help UConn fulfill its missions. It will also help UConn more successfully compete with other institutions for Outside Funds.

## APPLIES TO

Faculty and staff on all campuses, including UConn Health.

## DEFINITIONS

"Funder" is the provider of Outside Funds to UConn.

"Outside Funds" are funds other than State and Certain Other Institutional Funds.

"Purchase" is the purchase of equipment, supplies, or services, or the lease of personal property.

"Simplified Acquisition Threshold" is a threshold set by the Federal Government for purchasing goods and services in a manner that, as stated in Section 13.002 of the Federal Acquisition Regulations, "[p]romote[s] efficiency and economy in contracting" and "avoid[s] unnecessary burdens." The Simplified Acquisition Threshold is set in Subpart 2.1 of the Federal Acquisition Regulations and is currently \$150,000.

"State and Certain Other Institutional Funds" has the same meaning as in Section 2(a)(5) of Public Act 17-130, which meaning is (i) funds appropriated or bonds authorized by the General Assembly; (ii) revenue generated from tuition; (iii) funds collected from student fees, housing fees or dining services; (iv) revenue generated from athletic sponsorship deals or ticket sales; and (v) revenue collected from the clinical operations of The University of Connecticut Health Center and the John Dempsey Hospital.

## POLICY STATEMENT

- A. The President or the President's designee shall adopt procedures for entering into contracts for Purchases with Outside Funds, including identifying vendors for such Purchases. Such procedures shall be consistent with this Policy.
- B. UConn shall make Purchases with Outside Funds in a manner consistent with applicable law, provided that the following shall be exempt from CGS §10a-151b(b) and regulations adopted pursuant to CGS §4e-47:
  - (1) Purchases from vendors selected through a process prescribed by the Funder. The procedures adopted pursuant this Policy shall include a method for documenting the Funder's prescribed process in advance of purchases.

- (2) Purchases up to the Simplified Acquisition Threshold. UConn shall request quotations from at least three prospective vendors before making such purchases.
- C. The procedures adopted pursuant this Policy shall include a method for reporting any contract exempted under Paragraph B of this Policy that is entered into or amended. As required by Section 3(b) of Public Act 17-130, not later than January 1, 2018, and annually thereafter, such report shall be submitted to the joint standing committees of the General Assembly having cognizance of matters relating to higher education and government administration.

**ENFORCEMENT**

Violations of this Policy may result in appropriate disciplinary measures in accordance with University Laws and By-Laws, General Rules of Conduct for All University Employees, applicable collective bargaining agreements, and the University of Connecticut Student Code.

**PROCEDURES/FORMS**

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**POLICY HISTORY**

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<b>Policy Number</b>	SP (Sourcing Policies)-3
<b>Title</b>	Purchasing Through Collaboration Contracts
<b>Policy Owner</b>	Procurement Services
<b>Applies to</b>	Faculty and Staff
<b>Campus Applicability</b>	All campuses, including UConn Health
<b>Effective Date</b>	[ ]
<b>For More Information Contact</b>	[ ]
<b>Contact Information</b>	[ ]

## REASON FOR POLICY

Most of UConn's purchases are made simply to acquire good or services. But in some instances purchases are made in the context of a broader collaboration with another higher education institution, a nonprofit organization, or an industry partner. This Policy is established pursuant to Section 2(b)(1)(C) and Section 3 of Public Act 17-130, which authorizes UConn to develop policies for purchases that are made as part of a Collaboration Contract (defined below).

The purpose of this Policy is to establish a framework for procedures pursuant to which UConn can enter into Collaboration Contracts. Collaboration Contracts assist UConn in pursuing its teaching, research, clinical, public service, and economic development missions. Those missions are vital to discovery, innovation, and job creation in the State of Connecticut. Making purchases effectively and prudently in the context of Collaboration Contracts will help UConn to fulfill its missions. It will also help UConn more successfully compete with other institutions for Collaboration Contracts.

## APPLIES TO

Faculty and staff on all campuses, including UConn Health.

## DEFINITIONS

**"Collaboration Contracts"** are contracts described in Section 2(b)(1)(C) of Public Act 17-130, which are contracts in which the other party agrees to provide UConn with at least two of the following: (i) philanthropic support, (ii) sponsored research, (iii) research collaborations, (iv) employment opportunities for students, or (v) some other substantial value to UConn or the state.

**"Collaborator"** is UConn's counterparty under a Collaboration Contract.

**"Purchase"** is the purchase of equipment, supplies, or services, or the lease of personal property.

**"Simplified Acquisition Threshold"** is a threshold set by the Federal Government for purchasing goods and services in a simplified manner that, as stated in Section 13.002 of the Federal Acquisition Regulations, "[p]romote[s] efficiency and economy in contracting" and "avoid[s] unnecessary burdens." The Simplified Acquisition Threshold is set in Subpart 2.1 of the Federal Acquisition Regulations and is currently \$150,000.

## POLICY STATEMENT

- A. The President or the President's designee shall adopt procedures for entering into Collaboration Contracts, including identifying Collaborators. Such procedures shall be consistent with this Policy.
- B. UConn shall enter into Collaboration Contracts and make Purchases from Collaborators in a manner consistent with applicable law, provided that the following shall be exempt from CGS §10a-151b(b) and regulations adopted pursuant to CGS §4e-47:
  - (1) Purchases through a Collaboration Contract under which both (i) the Collaborator's contributions have substantial market value and (ii) such market value, plus any other benefits the Collaboration Contract will provide UConn, is expected to exceed UConn's expenditures.
  - (2) Purchases up to the Simplified Acquisition Threshold. UConn shall request quotations from at least three prospective vendors before making such purchases.
- C. The procedures adopted pursuant this Policy shall include a method for reporting any contract exempted under Paragraph B of this Policy that is entered into or amended. As required by Section 3(b) of Public Act 17-130, not later than January 1, 2018, and annually thereafter, such report shall be submitted to the joint standing committees of the General Assembly having cognizance of matters relating to higher education and government administration.

## ENFORCEMENT

Violations of this Policy may result in appropriate disciplinary measures in accordance with University Laws and By-Laws, General Rules of Conduct for All University Employees, applicable collective bargaining agreements, and the University of Connecticut Student Code.

## PROCEDURES/FORMS

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## POLICY HISTORY

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