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## Policy Information

**Effective Date:**

April 23, 1997

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July, 2005

**Policy Number:**

Fin-100

**Responsible Unit:**

Business Affairs

**Phone:**

(520) 621-5977

## Purpose and Summary

The purpose of the Business Practices Guidelines is to

1. Express the University's intentions and guide its departments/units in the conduct of business with both University constituencies and the general public;
2. Facilitate compliance with applicable federal and state laws and Arizona Board of Regents policies regarding competition with private enterprise; and
3. Provide additional clarification and guidance within a framework in which business practices decisions are made by University managers at all levels.

## Philosophy and Preamble

The University of Arizona is committed to accomplishing its instructional, research, and public service missions in an efficient and cost-effective manner. To support the successful execution of these missions, the following business practice principles are established with a commitment to

1. Serving the needs of the campus community;
2. ensuring dependable access to the goods, services, and facilities required to fulfill the

University's mission;

3. Ensuring that goods, services, and facilities provided to the University are appropriately priced and of good quality;
4. Considering the impact of University business practices on private enterprise, specifically local businesses;
5. Ensuring availability of an appeals process that is applicable to the internal (University) and external communities; and
6. Being consistent with applicable Arizona Board of Regents policies and state and federal law.

## Scope

These guidelines are aimed at the nonacademic and academic support activities of the University.

## Policy

### Sales to the Internal Campus Community

University units/departments and recognized student organizations may engage in the sale of goods and services to students, faculty, staff, and invited guests, and the use/lease of University facilities (buildings and structures) that are practically available from private enterprise, provided the following guidelines are met.

1. The goods and services provided
  - a. Are substantially and directly related to the University's instructional, research, and public service mission; or
  - b. Are relevant to the sponsoring of University recreational, cultural, or athletic events, and/or to providing food concessions and services; or
  - c. Involve items bearing unique University identification; or
  - d. Involve service and/or product categories specifically authorized by the Arizona Board of Regents.
2. The facilities (buildings, structures, equipment) provided must meet the criteria outlined in subparagraphs 1a and 1b above.
3. Consistent with paragraphs 1 and 2 above, the provision of such goods, services, and facilities to the University community by auxiliary and non-auxiliary units should
  - a. Enhance mission accomplishment and service/product availability; and
  - b. Be of high quality and offered at a fair and reasonable price; or
  - c. Result in a savings to the University or its student body, faculty, and staff; or
  - d. Represent a special convenience to faculty, staff, students, and other members of the University community; or
  - e. Not involve the sale of goods and services to staff, faculty, and invited guests solely because of excess capacity.
4. The advertisement of goods, services, or facilities and equipment shall be only through officially recognized University publications and/or media sources, except when necessary to further the mission of the unit. Exception to this guideline is hereby granted if the general public is the intended audience for activities such as athletic events, UA Presents events, and other entertainment events, as well as activities required for the fulfillment of educational requirements in areas such as music, theater arts, etc., or fundraising.
5. The implementation of these guidelines requires
  - a. The submission to the Senior Vice President for Business Affairs for review and approval of requests to engage in the initial (first-time) sale of a particular good and/or service

and the use of facilities and/or equipment.

- i. Requests shall be submitted at least 120 days prior to the desired date to begin sales;
  - ii. Requests shall include a complete description of the proposed activity (including but not limited to all appropriate supporting documents, letters of support, financial analysis, specific benefits to campus community, overall rationale); and
  - iii. Requests must demonstrate, through documentation, how the guidelines noted in numbered paragraphs 1, 2 and 3 above are to be met.
- b. That any appeal against a decision employ the established University internal appeals process.

## **Sales to the External Community**

Departments, units, and other official University organizations may engage in the sale of commercially available goods or services and in the sale or lease of University facilities and equipment to campus guests or to entities outside the University community provided the following criteria or guidelines are met:

1. The goods and services offered or provided are
  - a. Products or byproducts of the educational, research, or outreach mission of the University and the department/unit; or
  - b. Not practically available from private enterprise; or
  - c. Mandated by state law or provided to meet a public good or need; or
  - d. Not prohibited by Arizona Board of Regents policies and procedures.
2. Goods and services offered shall be part of legitimate educational and/or research program(s).
3. The University may allow the use of its facilities by the external community pursuant to Arizona Board of Regents policies 7-202 and 7-209. The rates charged for the use of University facilities and the equipment therein shall be in accordance with Arizona Board of Regents policy 7-203. These rates should reflect consideration of the fair current market value of comparable facilities and actual expenses incurred in providing the space (operations, maintenance, and deferred maintenance).
4. The use of University equipment for non-University purposes, and the rates charged for such use, shall be governed by University policy.
5. Except as provided in Arizona Board of Regents policy 6-908 (Intellectual Property Policy) and 6-909.10 (Technology Transfer), goods and services shall not be offered to the general public unless their costs reflect the full direct and indirect costs and are priced at not less than current market value.
6. The existence of the commercial sales activity is not solely due to the department having excess capacity.
7. The advertisement of goods, services, or facilities and equipment shall be only through officially recognized University publications and/or media sources, except when necessary to further the mission of the unit. Exceptions to this guideline are authorized if the general public is the intended audience for activities such as athletic events, UA Presents events and other entertainment events, as well as activities required for the fulfillment of educational requirements in areas such as music, theater arts, etc., or for fundraising.
8. Certain activities that would otherwise be prohibited are permitted if the provision of the goods, services, or facilities to the general public offers a valuable educational, research, or public service experience for students, or fulfills the public service mission of the University. Examples of such endeavors are the sale of advertising for the student newspaper (*Arizona Daily Wildcat*), instruction in recreational sports such as scuba diving and golf, operation of the Flandrau Science Center, or operation of the Student Union and UA BookStores. On the

other hand, activities engaged in simply to generate revenue to support a University department or endeavor normally do not qualify. Examples of such activities are the sale of advertising to support a communication such as *Lo Que Pasa*, which does not employ primarily students in its production; the use of University research facilities to provide routine laboratory services to the public that are available from other sources; or the provision of "surplus" products on a regular basis for the primary purpose of producing revenue. If you have questions about an activity, contact the Office of the General Counsel.

9. Property that is excess to the needs of University units shall be disposed of in accordance with official University policy and in a lawfully and commercially reasonable manner.
10. The University unit that is primarily responsible for the disposal of excess property is the Procurement and Contracting Department's Surplus Property Office [1].
11. Department/unit requests to engage in the initial (first-time) sale of a particular good or service shall be submitted to the Office of the Senior Vice President for Business Affairs for review and approval.
12. Sales by the University pursuant to the intergovernmental agreements are not governed by these guidelines and shall proceed in accordance with state law.

## **Sponsored Commercial Activity on University Property**

University departments/units and recognized student organizations may engage in sponsored commercial activity on University-controlled property (excludes activities procured via the University procurement process) provided the following guidelines are met. These guidelines are intended to regulate all short-term sponsored commercial activity on University property.

1. Commercial activity is defined as
  - a. All sales, purchases, and/or agreements for the sale or purchase of goods and services;
  - b. All giving, demonstration, and/or solicitation for the purchase or sale of goods and/or services provided by a person, group of persons, or other entity; and
  - c. All solicitations of gifts of money or other goods or services by a person, groups of persons, or other entity.
2. The goods and services provided are
  - a. Substantially and directly related to the University's instructional, research, and public service mission; or
  - b. Sponsored by a University unit relating to a recreational, cultural, co-curricular, or athletic event.
3. All other private commercial activity shall be governed by the State of Arizona procurement process (as outlined in paragraph 5).
4. The sponsored commercial activity must result in or arise from the achievement of one of the following:
  - a. More efficient acquisition of product(s) or service(s);
  - b. Savings to the University;
  - c. Convenience to faculty, students, and other members of the University community;
  - d. Facilitation of co-curricular or outreach activities of the University; or
  - e. Financial support to the University or the sponsoring unit.
5. The activity shall not compete with any official University commercial enterprises (such as UA BookStores, Student Union, Campus Health Service, Intercollegiate Athletics, Library, University Information Technology Services, etc.) or current University obligations (contracts) and agreements, unless otherwise approved or authorized by the Campus Use Coordinator.
6. This policy does not regulate regularly conducted activities that are part of the educational, research, service, and other legitimate functions of the University, such as
  - a. University provision (by sale or otherwise, directly or indirectly) of sleeping

accommodations (residence halls), food, books, and/or other goods and services for students, staff, and other lawful users of the campus.

- b. The provision (by sale or otherwise) of food and/or other goods or services associated with activities that are part of official University activities.

7. University departments/units or recognized student organizations may not grant exclusive rights to a particular vendor without the approval of the Campus Use Coordinator.

#### 8. Implementing Rules

- a. Sponsored commercial activity is allowed in the Old Chemistry Lawn area of the University Mall (area of the Mall immediately east of Old Main) or in other areas with approval of the University Mall Events Committee.

Sponsored commercial activity must meet all requirements set forth in the Policy and Regulations Governing the Use of the Campus in addition to the following:

- i. Submission of a completed UA Commercial & Campus Use/Mall Activity Request Form [2].
  - ii. Receipt of the Approved Mall Permit issued by the Campus Use Coordinator upon approval of the event.
- b. Vendors must fall into one of the following categories:
    - i. Be sponsored by a University unit or recognized student organization, paying the appropriate usage fee; or
    - ii. Be a participant in an official University activity.
  - c. Total sponsored commercial activity days by one vendor, regardless of sponsorship, shall not exceed fifteen (15) days per fiscal year with no more than five (5) days per semester or session (Fall semester includes the Winter session).
  - d. Sponsored commercial activity may occur Monday through Friday between 8:00 a.m. and 5:00 p.m., unless the activity is part of an official University activity approved in advance by the University Mall Events Committee. The foregoing does not apply to regularly scheduled University holidays and may be adjusted or cancelled for the convenience of the University or to protect public health, safety, and welfare.

#### 9. Commercial Activity Area

- a. All approved sponsored commercial activity shall be restricted to the Old Chemistry Lawn area of the University Mall, unless a different location is approved in advance by the University Mall Events Committee. (Sidewalks are not included as part of the designated area.) Sidewalks must remain free and clear of commercial activity for fire and safety reasons.
- b. Sponsored commercial activity permits issued for any day shall be limited to those that can be adequately accommodated in the space available. In any event, there shall be no more than five (5) sponsored commercial activity permits issued for any day unless the sponsored commercial activity is part of an official University activity, or the Mall Events Committee grants approval for a larger number.
- c. Total space allocated shall not exceed 10' x 15' unless specially approved at the time of application.
- d. The sponsored commercial activity permit must be visibly displayed on the sales table or booth at all times.
- e. Structural removal requirements are contained in the Policy and Regulations Governing the Use of the Campus. Structures, as defined in that policy, and all tables and chairs must be removed each day by 5:00 p.m., even if the sponsored commercial activity occurs on consecutive days. These requirements are applicable to all permit holders unless the activity is exempted under the Policy and Regulations Governing the Use of the Campus.

#### 10. Limitations

- a. No sponsored commercial activity of any item may take place until all licenses, permits,

etc., required by federal, state, or local laws and ordinances have been obtained by the vendor.

- b. Sponsored commercial activity with any item bearing a University of Arizona logo or otherwise referencing the University of Arizona is permitted only with the expressed permission of the University of Arizona official with authority to grant such permission (Trademarks and Licensing Office [3]).
- c. Sponsored commercial activity involving food is allowed only when the activity is associated with an official University activity or has received the approval of the Mall Events Committee, and when the permit holder is in compliance with all applicable federal, state, and local laws, ordinances, licensing, and/or permitting. Such compliance shall be the responsibility of the permit holder and any required licenses and/or permits shall be prominently displayed on the booth or tables. Failure to comply shall be grounds for denial or withdrawal of a Commercial Activity Permit. In all events involving food, the request will be reviewed by the Student Union.

#### 11. Responsibilities of Vendors

Vendors must

- a. Be in possession of all permits and licenses required by federal, state, and local laws or ordinances, and comply with any applicable federal, state, and local laws or ordinances; the obtaining of required permits and licenses and knowledge of the applicable laws are the responsibility of the vendors. Failure to be in possession of any required permit or license or to comply with any applicable law or ordinance shall be grounds for denial or withdrawal of a Commercial Activity Permit.
- b. Comply with all applicable University policies, procedures, and rules and provide information about
  - i. The vendor's ability to back its claims and guarantees;
  - ii. The circumstances under which purchasers can return merchandise during and after the sale, including the name, address, and telephone number of the person who can accept a return and refund the purchase price;
  - iii. A copy of the permit; and
  - iv. Business liability insurance in the amount prescribed by University Risk Management Services.

12. Special guarantees or disclaimers may be required on certain merchandise or goods; for example, genuine leather versus imitation leather.

#### 13. Sponsoring Unit or Recognized Student Organization Responsibilities

- a. Ensures the presence of responsible member(s) of the sponsoring unit throughout the duration of the commercial activity to include setup and take-down.
- b. Ensures that any sign identifying the vendor includes a sign of at least 3' x 4' identifying the sponsor.
- c. Sponsor must comply with all University policies, be in possession of all permits and licenses required by federal, state, and local laws or ordinances, and comply with any applicable federal, state, and local laws or ordinances. (Obtaining of required permits and licenses and knowledge of the applicable law are the responsibility of the vendor.) Failure to be in possession of any required permit or license or to comply with any applicable law or ordinance shall be grounds for denial or withdrawal of a Commercial Activity Permit.
- d. Secures a permit to conduct sponsored commercial activity on University property from the Campus Use Coordinator utilizing the UA Commercial & Campus Use/Mall Activity Request Form.
- e. Ensures the sponsoring unit or recognized student organization and vendor abide by the relevant and appropriate University policies, guidelines, and rules governing the location, time, and duration of the activity.

#### 14. Permits and Fees

- a. Sponsored commercial activity permits will be issued only to the sponsoring unit or recognized student organization.
- b. Sponsored commercial activity permits will be issued Monday through Friday, between the hours of 9:00 a.m. and 4:00 p.m. through the Campus Use Coordinator.
- c. The vendor will be charged a fee for space use per day. (Payments can be made by check, money order, or cash to the Campus Use Coordinator, unless the group is participating in an official University activity.) The amount must be paid in advance and is non-refundable. The amount of the fee is subject to change annually.

15. The Campus Use Coordinator may make nonsubstantive changes to the wording of this document when such changes are required for clarity and do not affect the substance of the document. If one or more provisions of this document are declared inoperative or are otherwise voided, the remaining provisions shall remain in full force. The University's interpretation of these policies and regulations shall be binding on vendors and University sponsors.

#### 16. Violations

- a. A sponsoring unit or recognized student organization that violates any of the provisions of the Sponsored Commercial Activity on University Property Guidelines may be denied approval of future requests for permission to use University property for activities that require such permission or may be otherwise restricted in its use of University property.
- b. In cases where violation of the provisions of the Sponsored Commercial Activity on University Property Guidelines results in infringement of other policies, rules, or regulations published by the University, the Arizona Board of Regents, or federal and state laws, the violating unit/organization shall be subject to all applicable penalties.

### **Campus Use & Mall Scheduling**

#### **Important Guidelines for Individuals/Groups/University Departments Requesting Campus Use/Mall Reservations**

1. Space assignment will not be guaranteed until a completed UA Commercial & Campus Use/Mall Activity Request Form with all necessary signatures is submitted to the Mall Scheduling Office. Space availability is limited. Plan ahead!
2. Two (2) calendar weeks from the initial receipt of applicable forms are required to complete the approval process.
3. Amplification is allowed only between noon and 1:00 p.m. Monday through Friday; between 5:00 p.m. and 7:00 p.m. Monday through Thursday, and at other times only with special advance approval from the Campus Use and Event Services Office. (Maximum allowable volume is 85 dB.)
4. The request form does not order services, equipment, etc., from Facilities Management (621-3610), Parking and Transportation (621-3710), Student Union Dining Services (621-5736), or Risk Management (621-7691). Arrangements for services and payments must be made a minimum of ten (10) business days prior to your event with Facilities Management and a minimum of five (5) business days prior to your event with Parking and Transportation.
5. Structures as defined in the Mall Guidelines (buildings, booths, tents, canopies, vehicles, trailers, fences, walls, or similar objects) may not be left up overnight unless approved in advance by the Campus Use Team. Structures are allowed only between 8 a.m. and 5 p.m. unless specifically approved as an exception in advance by the Campus Use Team. Call Facilities Management for blue staking at 621-3610. Note: Structures may not be set up nor may any staking occur on the Mall between the Cactus Garden and Cherry Ave.
6. If you need a tent or other equipment, the following vendors are familiar with the campus:

Party Concepts (750-0550), Parties Plus (792-8368), AZ Party Rental (327-6678), and Party Express (338-8647).

7. Please be advised that chairs and tables from the Student Union (patio areas, food court areas including outside and inside) are *not* to be used for Mall events. Those tables and chairs are there for use by individuals doing business at the Student Union only. A Mall event is not a Student Union event.
8. If the event involves food and/or beverages, prior approval is required by the Dining Services Director at 621-5736.
9. Two (2) calendar weeks prior to a commercial activity, samples of products, promotions, flyers, advertisements, bank(s) or other institution(s) credit card application(s), and other related items must be submitted to the Campus Use and Event Services Office for initial approval.
10. If the event involves commercial activity, copies of the vendor's business license should be attached to the Request Form. Individual vendor space is limited to a 10' x 15' area. Mall areas A and B are reserved for noncommercial activity. Sponsored commercial activity by one vendor shall not exceed a maximum of five times per semester on campus. Structures cannot be kept up overnight.
11. **Vehicle Access and/or Parking on the Campus and the Mall Require Prior Approval.** Access to and/or parking on the central Mall are prohibited between 9:00 a.m. and 4:00 p.m. on school weekdays. Access to and/or parking on other sections of the Mall is restricted. Please review your unloading and loading requirements with Parking and Transportation Services in order to obtain approval for vehicular access (621-3710). Arrange for your needs five (5) business days prior to the event. Parking on the grassy area of the campus and Mall requires further approval from the Campus Use & Mall Scheduling Office, Risk Management, and Facilities Management.
12. Large events, evening events, and other certain events may require security. Call the UA Police Department at 626-8007.
13. In accordance with the Policy and Regulations Governing the Use of the Campus, a sponsoring organization (recognized student organization or University department) banner or sign (minimum size of 3' x 4') must be prominently displayed during the entire reserved period. In the case of a group(s) sponsoring commercial activity, the sponsoring group(s) banner or sign must be larger than the vendor's banner(s). Alcoholic beverage distributors or corporations must be in compliance with the Sponsorship of Events by Alcoholic Beverage Corporations/Distributors policy.
14. Student organizations or University departments sponsoring commercial activity must have a representative on the Mall during the scheduled activity.
15. Tables, booths, tents, etc., must be a minimum of 6 feet from any curb to allow for wheelchair access.
16. Sidewalks:
  - a. Nothing may be placed on the Mall sidewalks/pedestrian walkways.
  - b. All power and water lines crossing other sidewalks must be secured. Anything over ½ inch in diameter needs to be ramped.
  - c. All other equipment, including tables, chairs, and other event-related items, must be on the grass.
17. In the event that conditions on the campus/Mall lawn sections are unusable for events due to inclement weather, Facilities Management will make the determination on campus/Mall usage in advance and will advise the Mall Scheduling Office of such conditions and decision. The Mall Scheduling Office will either relocate or reschedule the event. Sponsoring groups are responsible for adherence to these guidelines and to all policies as noted in the Mall Guidelines and University Business Practices Guidelines on Sponsored Commercial Activity (available from Mall Scheduling in the Event Planning Office). Failure to follow any of these policies may limit your ability to use the Mall in the future.



## **Procurement Process and Procedures**

Misinformation and misunderstanding of University procurement procedures both within and outside the University can result in undesirable consequences to both the UA and its suppliers. This summary illuminates the most common areas of misunderstanding and misinformation.

1. **Procurement Authority:** The Director of Procurement and Contracting Services (PACS) is the University Procurement Officer. The Procurement Officer is responsible for the proper implementation of the Arizona Board of Regents University Procurement Code. The Procurement Officer has the authority to commit University funds for the procurement of supplies, equipment, and contractual services on behalf of the University of Arizona and the Arizona Board of Regents (ABOR).
2. **University Procurement Process:** The University's procurement process is governed by ABOR policies 3-801 through 3-810, which are very similar to the Arizona State Procurement Code. The University supplements ABOR policies with procedures based on general University regulations, good business practices, and/or special requirements adopted by various agencies from which the University secures funds for special programs. The various categories of purchases governed by the ABOR policies are covered in the paragraphs immediately below.
  - a. Purchases that exceed \$100,000. The policies and procedures for expenditures in excess of \$100,000 are contained in the Arizona Board of Regents Policy Manual, Chapter III, Article H. Procurement Procedures (University Procurement Code). The code specifies that the award for all supplies, equipment, and contractual services with an aggregate cost exceeding \$100,000 (exceptions: sole source and emergency procurements) must be the result of a sealed competitive bid or request for proposal. All organizations that conduct or desire to conduct business with the University of Arizona should be aware of the provisions of the Procurement Code. The code covers such items as definitions, procurement authority, rules governing bidding and source selection procedures to include details involving competitive sealed proposals, construction services, contract controversies, bid protest, content and timelines for filing protests with the Procurement Officer, appeals to the President, rules governing the conduct of appeal hearings, requests for rehearing, or review of a final decision. A copy of the ABOR Policy Manual/University Procurement Code is available at the Main Library, Main Reference Section, and [online](#) [5].
  - b. Purchases that do not exceed \$100,000. ABOR policy requires that the unit/department requests for goods and services having an aggregate cost that does not exceed \$100,000 be directed by PACS to a small business organization. The procedures governing purchases that do not exceed \$100,000 are shown below.
    - i. Purchase requests that do not exceed \$5,000. Such requests received by PACS shall be referred to a small business organization. If the requesting unit/department has a preferred vendor, the request will be directed to that vendor, unless it is not a small business. Otherwise the Buyer shall select a vendor. Units/departments may also make these purchases in accordance with Financial Services Manual 9.18 Small Dollar/Direct Purchase Procedures [6].
    - ii. Purchases that exceed \$5,000 but do not exceed \$100,000. Such purchase requests received by PACS shall be filled on the basis of competitive informal proposals or bid submissions. Such proposals/bids shall be solicited from a minimum of three (3) vendors in written form or via telephone or fax.
  - c. Strategic Alliances, Agreements, and University-Wide Contract Procurements: A strategic alliance agreement is a form of University-wide contract which is developed

with one or more vendors covering the acquisition of a product (e.g., computers, cellular communications, document imaging). Such contracts, at the University's discretion, may be expanded by the UA to cover others produced by a company as well without being subjected to additional procurement processes. In return, vendors provide the UA with research sponsorships, competitive scholarships, and other benefits. Strategic alliances are a way to maximize the leverage of the University's buying power to provide goods and services at the most economical price. University-wide contracts, while similar to strategic alliances, are generally focused on one particular area or product (e.g., office supplies, furniture, etc.). Regardless of the dollar amount, when a strategic alliance or University-wide contract exists, first consideration in filling a department's need should be given to products and services covered by such contracts or alliances. While no department/unit will be mandated to utilize a product or service that is not in its best interest, departments/units are expected to give their full purchasing support to such programs because of the benefits derived by the UA. If strategic alliances or University-wide contracted products or services will not satisfy the department's/unit's need, a written justification explaining why will be maintained in the department's/unit's file should ABOR inspectors have questions regarding such purchases.

- d. Design and Construction Services. Procurement authority for design and construction services has been delegated to the Department of Planning, Design and Construction (PDC). As such, PDC procures design and construction services; and manages new construction, renovation, and remodeling projects. Projects valued at less than \$25,000 in labor and maintenance costs may be executed by the UA Facilities Management Department.
    - i. Construction Services. Construction services are procured by the competitive bid process for Design-Bid-Build projects, or through a competitive request for qualifications (RFQ) selection process as outlined in that portion of the ABOR Policy Manual/Procurement Code relating to Design-Build, Construction Manager at Risk or Job Order Contracting project delivery methods. Construction services RFQs are posted on PDC's website and are advertised in the *Daily Territorial*, *East Valley Tribune*, and *Daily News-Sun*. Construction bids are posted on PDC's website and are advertised in the *Daily Territorial*, *East Valley Tribune*, and *Daily News-Sun*.
    - ii. Design Services. Architectural design services for projects where design fees will exceed \$250,000 are procured through an RFQ process. The RFQ is posted on PDC's website and advertised in the *Daily Territorial*, *East Valley Tribune*, and *Daily News-Sun*. Architectural design services for projects where design fees will not exceed \$250,000 are procured through an Annual Request for Qualifications process, where responding firms are selected for specific projects by a selection committee from a database containing qualifications, licensing, experience, and interest information of responding firms. Annual Requests for Qualifications are generally published in January or February of each year and are posted on PDC's website and advertised in the *Daily Territorial*, *East Valley Tribune*, and *Daily News-Sun*.
3. Vendor Information Sources: Vendors desiring information regarding the procurement process should do the following:
- a. Frequently check the "Vendor Resources" [7] section of the Procurement and Contracting Services website, as this is one source of information regarding sealed bid and proposal opportunities.
  - b. Register with the Purchasing Office to attend a Vendor Workshop by calling (520) 621-5933. Workshops are held periodically throughout the year.
  - c. Please call ahead to schedule appointments with procurement staff. The Staff Directory

- [8] can be found on the Procurement and Contracting Services website. Bring a new idea or product for each interview and keep buyers up-to-date on markets and trends.
- d. Schedule appointments with departments to market your goods and services.
  - e. Remain in contact with prospective University customers as they refer vendor names to Procurement and Contracting Services buyers.

## **Guiding Principles for Establishing and Administering Purchasing/Vendor Alliances**

**Purpose.** The purpose of this document is to (1) articulate the nature and benefits of vendor purchasing alliances and (2) specify the related responsibilities of the key players for vendor alliance establishment and administration.

**Background.** The principal mission of Research I universities is teaching, research, and public service. While academics is the principal focus of these universities, in recent years the level of quality at which the mission has been accomplished is increasingly dependent on the availability of funds. In today's world the purchasing function has become an additional source of funds for the University as opposed to one that merely expends money for the acquisition of goods and services. This has been made possible by the attractiveness of mutually beneficial relationships between universities and corporations and the willingness of these organizations to offer both monetary and non-monetary items in return for opportunities to do business over extended periods of time. We have labeled such business opportunities **vendor alliances**. Vendor alliances may involve the same goods and services that are offered for sale by both University departments and the Procurement and Contracting Services Department (PACS). Because of the potential for confusion in the separation of different departmental acquisition missions and responsibilities, procedures are needed to eliminate or reduce any possibility of internal conflicts resulting from duplication in the acquisition of goods and services.

### **Vendor Alliances (General Description).**

1. Vendor alliances are formal, fairly long-term business relationships established between the University and one or more vendors for the purpose of achieving results that benefit the participants. These agreements may be terminated after an agreement is entered into if it is determined by the Senior Vice President for Business Affairs that it is not in the University's best interest to continue the agreement. Alliance members (both the UA and participating vendors) generally benefit through
  - a. Collaborative relationships that further the strategic aims of both the University and supplier(s);
  - b. The creation of added value by cooperation between the UA and the vendor(s); and
  - c. Improvement in efficiency and/or cost effectiveness.
2. The University may benefit specifically from vendor alliances through
  - a. Lower cost of products;
  - b. Hiring of UA graduates by alliance vendors;
  - c. Internship commitments by alliance vendors;
  - d. UA access to alliance vendor expertise to improve UA processes and services;
  - e. Increased alliance vendor interest in sponsorship of UA events or projects of UA units.
3. Potential Benefits to Alliance Vendors/Suppliers
  - a. Increased market share (This must reflect a true increase that excludes all existing purchases or realized sales);
  - b. Access to University knowledge and expertise to improve products and services;
  - c. Support for company initiatives;

- d. Assistance in reducing transaction costs;
- e. Experience that may help increase market share in higher education market.

## **Responsibilities**

**A. Senior Vice President for Business Affairs.** The Senior Vice President for Business Affairs has overall staff responsibility for

- 1. The procurement of all University goods and services;
- 2. Ensuring that policies and procedures are in place that govern the conduct of business by University units and facilitate compliance with applicable federal and state laws and ABOR policies;
- 3. Providing additional clarification and guidance within a framework in which business practices and decisions are made by managers at all levels;
- 4. Ensuring that vendor alliances are in the best interest of the University, which includes ensuring that due consideration is given to units that are or may be disadvantaged by the implementation of a proposed alliance.

**B. Director, Procurement and Contracting Services Department**

- 1. Ensures that the provisions of the ABOR Procurement Code are complied with before, during, and after vendor alliances are established.
- 2. Promulgates written procedures consistent with the ABOR Procurement Code and other ABOR policies governing procurement and management of goods, services, construction, and disposal of materials.
- 3. Procures goods and services for UA departments and units when requested or required by the ABOR Procurement Code.
- 4. Manages the University acquisition process. This includes the delegation of authority to selected directors/managers as needed to facilitate the procurement of goods in specialized areas (e.g., the Dean of the Libraries; Director of UA BookStores; Director, Planning, Design, and Construction; and Director, Student Unions.
- 5. Initiates and manages the vendor alliance process. The steps in this process are as follows.
  - a. Identify a commodity or service that has a high probability of being successful in academics, operational support, or providing financial benefit to UA departments/units that may result from a vendor alliance.
  - b. Identify the potential advantages and disadvantages to the University of establishing a particular alliance. No decision will be made regarding establishing a particular alliance without considering both the positive and negative aspects to the University and its operating units.
  - c. Hold discussions with affected departments prior to determining whether it is advantageous to the University to proceed to the next step of establishing an Alliance Evaluation Committee (AEC).
  - d. Make no promises to departments in exchange for support of alliances. All revenues resulting from vendor alliances shall be administered by an organization that is external to PACS.
  - e. Establish an Alliance Evaluation Committee.
    - i. If PACS determines a vendor alliance may be advantageous, after consultation with the heads of departments/units that already offer similar products or services, an AEC will be established to assist in validating the decision. The AEC shall consist of a wide range of department/unit participants, including representation from among those who will be impacted by the proposed alliance. A department/unit may register an objection during this or any other discussion regarding the development of a

vendor alliance. When an objection is made, the process stops until the objection is reconciled or ruled upon by the AEC. If the committee cannot decide the matter, it shall be submitted to the Senior Vice President for Business Affairs for final disposition or decision. (The Senior Vice President for Business Affairs may at his/her discretion obtain the views of both sides, including management personnel, prior to rendering a decision or may refer the matter to the President's Cabinet for decision.)

- ii. If there are no objections to consider the AEC shall take the following steps:
  - a. Review and discuss the advantages and disadvantages of the proposed alliance.
  - b. Recommend whether or not the University should proceed with the proposed vendor alliance. If the committee recommends entering into a vendor alliance, the Director of PACS will submit the proposal to the Senior Vice President for Business Affairs for final approval.

f. Develop a vendor alliance project Request for Proposal (RFP). If the Senior Vice President approves the proposed vendor alliance, an RFP shall be developed. The RFP shall comply with the requirements of the University procurement code, including those requiring evaluation criteria.

g. Establish a Request for Proposal Evaluation and Contract Award Selection Committee.

- i. Composition. All or selected members from the previously formed Alliance Evaluation Committee may serve on this committee. This committee is established after approval is granted to pursue a particular alliance.

ii. Responsibility.

- a. The RFP Evaluation and Contract Award Selection Committee is responsible for reviewing and evaluating vendor RFP responses and selecting the proposal that is most responsive to the requirements specified in the RFP and most beneficial to the University of Arizona.
- b. Minutes will be maintained during all meetings of the committee and shall include the general process, the conclusions reached, the evaluated RFPs, the unreconciled objections made by committee attendees, and the record of votes cast.

h. Ensure that the vendor's access route to students is approved by the appropriate University department.

i. Focus on institutional benefits to the University.

#### C. Post-contract award management by PACS

- 1. Ensure that no individual interest (personal or unit) is given greater importance than the institutional interest of the University.
- 2. Provide marketing and administrative support to the alliance vendor.
- 3. Provide education and training to University customers in the utilization and benefits of alliance.

#### D. University Department

- 1. Any affected University department shall have an opportunity to
  - a. Participate in each aspect of the process from the outset; and
  - b. Determine the level and frequency of its participation in the vendor alliance process. If the University department elects not to participate, it is giving tacit approval to all the terms and conditions of a vendor alliance. (Separate or private meetings shall not be held to discuss an alliance for a product or a service already being offered by another department/unit unless the affected department/unit was invited but neglected to attend. Moreover, approval to enter into an alliance shall not terminate the sale of existing products or brands offered by another

department/unit unless approved by appropriate University authority.)

- E. An affected University department/unit shall concur or non-concur as to whether alliance products are to be available for sale to students, faculty, and staff. If the department/unit concurs with the sale of such products in its department business, the products will receive the same marketing opportunities as other similar brands or as specified in the alliance contract.
- F. Questions regarding the alliance shall be raised with the Director of PACS before discussing them with the alliance vendor or others outside the University.

## Compliance and Responsibilities

**Senior Vice President for Business Affairs:** Exercises overall staff responsibility for the development and implementation of the Business Practices Guidelines. The implementation responsibilities may be delegated, as appropriate, to facilitate coordination and operations.

**Vice Presidents, Deans, Department Heads, and Directors.** Are responsible for compliance with the guidelines within their assigned organizations/units.

**Director of Corporate Relations:** Performs the following functions: University liaison to the business community and point of contact for processing queries and complaints made by businesses and other external agencies/organizations; develops comprehensive strategic relationships with industry partners; co-chairs the University Business Advisory Committee; chairs the Industry Strategy Group; and serves as liaison to the general faculty's University Committee on Corporate Relationships (UCCR).

### Dean of Students

- Responsible for the development and administration of the Policy and Regulations Governing the Use of the Campus and First Amendment Rights. The scheduling and day-to-day management of sponsored commercial activity and other events is the responsibility of the Procurement and Contracting Services Department in coordination with the Office of the Dean of Students.
- Establishes and chairs the University Mall Committee that annually reviews the policy on the use of the Mall.
- Provides guidance and assistance to the agencies involved in events approval.

**Director of the Student Unions:** Allocates space in conjunction with the Event Services Office to accommodate a Commercial and Mall Activity Coordinator and the performance of these functions, including the processing of applications and issuance of permits for sponsored commercial activities.

**Director of Procurement and Contracting Services:** Establishes procedures for the purchasing of goods and services in accordance with applicable federal and state laws and Arizona Board of Regents policies.

**Director, Parking and Transportation:** Assures accessibility of the Mall to individuals approved to conduct Sponsored Commercial Activity.

**Director, Risk Management Services:** Reviews Sponsored Commercial Activity applications/forms for applicability of the State and ABOR liability insurance requirements, and specifies whether such insurance is required and, if so, how much.

### University Committees

The following committees have been established to facilitate the sale of UA goods and services within the campus community; the sale of UA goods and services to the external community in accordance with state and federal laws and ABOR policy; and use of UA name and licensing of UA products:

**University Business Advisory Committee:** This committee consists of representation from both the private sector and the campus community and representatives from government(s) when appropriate. It acts as a bridge between the University and the business community for the purpose of addressing issues involving UA business practices which impact or may impact area businesses.

**University Committee on Corporate Relations (UCCR):** This committee makes recommendations to the University President or his/her designee regarding potential or changeable relationships between any part of the University and one or more businesses. In the implementation of its responsibility, this committee evaluates submitted proposals from three vantage points:

1. Use of the University's name or symbol by an external entity
2. Implied University endorsement of a particular service, product company, or individual
3. Public display of advertisements or other corporate symbols

The committee also recommends UCCR policy modifications and/or proposes additional policies as long as they are approved by the Faculty Senate before they become a recommendation to the President.

## **Periodic Review**

These guidelines shall be reviewed annually, and updated if necessary, to ensure their continuing responsiveness to the purpose for which they were established.

## **Related Information\***

Arizona Board of Regents policies [5]

- 3-801. University Procurement Code—General Provisions [9]
- 3-802. Procurement Authority [10]
- 3-803. Bidding and Source Selection Procedures [11]
- 3-804. Professional Services and Construction Services Procurement [12]
- 3-805. Specifications [13]
- 3-806. Contract Clauses [14]
- 3-807. Materials Management [15]
- 3-808. Intergovernmental Procurement [16]
- 3-809. Legal Remedies [17]
- 3-810. Small Business Procurement Program [18]
- 6-908. Intellectual Property Policy [19]
- 6-909.10. Technology Transfer Policy [20]
- 7-202. (Real Property) Ownership and Procedures [21]
- 7-203. Purchase of Real Property [22]
- 7-209. Rental Rates [23]

Policy and Regulations Governing the Use of the Campus [24]

## Revision History\*

"Sponsored Commercial Activity on University Property" revised October 12, 2004

Revised July 2005

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**Source URL:** <http://policy.web.arizona.edu/business-and-finance/business-practices-guidelines>

### Links

- [1] <http://pacs.arizona.edu/surplus>
- [2] [http://www.union.arizona.edu/mall/request\\_form.php](http://www.union.arizona.edu/mall/request_form.php)
- [3] <http://licensing.arizona.edu/>
- [4] <http://union.arizona.edu/mall/>
- [5] <http://www.azregents.edu/board-committees/policy-manual>
- [6] <http://policy.fso.arizona.edu/fsm/900/918>
- [7] [http://pacs.arizona.edu/Business\\_UA](http://pacs.arizona.edu/Business_UA)
- [8] <http://pacs.arizona.edu/contact>
- [9] <https://public.azregents.edu/Policy%20Manual/3-801-General%20Provisions.pdf>
- [10] <https://public.azregents.edu/Policy%20Manual/3-802-Procurement%20Authority.pdf>
- [11] <https://public.azregents.edu/Policy%20Manual/3-803-Source%20Selection%20and%20Contract%20Formation.pdf>
- [12] <https://public.azregents.edu/Policy%20Manual/3-804-Professional%20Services%20and%20Construction%20Services%20Procurement.pdf>
- [13] <https://public.azregents.edu/Policy%20Manual/3-805-Specifications.pdf>
- [14] <https://public.azregents.edu/Policy%20Manual/3-806-Contract%20Clauses.pdf>
- [15] <https://public.azregents.edu/Policy%20Manual/3-807-Materials%20Management.pdf>
- [16] <https://public.azregents.edu/Policy%20Manual/3-808-Intergovernmental%20Procurement.pdf>
- [17] <https://public.azregents.edu/Policy%20Manual/3-809-Legal%20Remedies.pdf>
- [18] <https://public.azregents.edu/Policy%20Manual/3-810-Small%20Business%20Procurement%20Program.pdf>
- [19] <https://public.azregents.edu/Policy%20Manual/6-908-Intellectual%20Property%20Policy.pdf>
- [20] <https://public.azregents.edu/Policy%20Manual/6-909.10-Technology%20Transfer%20Policy.pdf>
- [21] <https://public.azregents.edu/Policy%20Manual/7-202-Ownership%20and%20Procedures.pdf>
- [22] <https://public.azregents.edu/Policy%20Manual/7-203-Purchase%20of%20Real%20Property.pdf>
- [23] <https://public.azregents.edu/Policy%20Manual/7-209-Rental%20Rates.pdf>
- [24] <http://policy.arizona.edu/ethics-and-conduct/policy-and-regulations-governing-use-campus>
- [25] <http://policy.arizona.edu/university-relations/sponsorship-events-alcoholic-beverage-corporationsdistributors>