



September 15, 2021

Agenda
REGENTS' AD HOC GOVERNANCE COMMITTEE
September 20, 2021; 9:00 AM
Virtual¹

Livestream: <https://live.unm.edu/board-of-regents>

Regent Members:
Rob Schwartz, Chair
Kim Sanchez Rael
Doug Brown

Members from Administration:
Loretta Martinez, University Counsel
Terry Babbitt, President's Chief of Staff

- I. Call to Order and Confirmation of a Quorum, *Regent Rob Schwartz*
- II. Adoption of the Agenda
- III. Public Comment² (*comments related to agenda items; limit 3 min.*)
- IV. Action Item--Recommendation to revise Regents' Policy Manual (RPM) – Section 7.4: “Purchasing” (see attached)
- V. Discussion Item—briefing on possible structure for Student Regent Scholarship/Stipend/Compensation
- VI. Discussion Item—RPM – Section 7.9: “Property Management”, briefing on statutory requirements for approval of disposition of surplus property
- VII. Discussion Item—RPM - Section 1.6: “Special Recognition and Awards”
- VIII. Discussion Item---Regents' Policy Revisions and Plan for Addressing Revisions proposed in 2017 by the Regents' Policy Review Committee
- IX. Adjourn

¹Under the current guidelines from the Governor and in order to slow the spread of COVID-19, the UNM Board of Regents and Regents' Committees will meet virtually over Zoom platform. Additionally, public access to view or listen to Regent meetings is provided via a livestream of the virtual meeting: <https://live.unm.edu/board-of-regents>

²Public comment will be heard during the meeting. Due to the nature of online meetings and the logistics of getting speakers connected, anyone wishing to provide public comment during the meeting *must register their intent to speak before noon on Friday, September 17, 2021*. In order to sign up for public comment, please email regents@unm.edu with the subject, “Request to provide public comment at 9/20 Regent's Ad Hoc Governance Committee Meeting”, and include the following information: 1. First name and last name; 2. Email address and telephone number; 3. Affiliated organization & Professional Title (if applicable); 4. Topic you would like to address. Comments may also be submitted in writing to, regents@unm.edu .

DATE: September 14, 2021

TO: The Regents of the University of New Mexico

FROM: Office of the Senior Vice President for Finance and Administration

SUBJECT: Action Item for Ad Hoc Governance Meeting on September 20, 2021 - *AUTHORIZATION FOR REVISIONS TO REGENTS POLICY MANUAL 7.4 - PURCHASING TO ALLOW PRESIDENT TO APPROVE PURCHASES IN EXCESS OF \$5,000,000*

Executive Summary

UNM Purchasing proposes that The University of New Mexico Board of Regents approve edits to the *Regents' Policy Manual – Section 7.4: Purchasing* that will delegate authority to the President of UNM to approve the execution of contracts of the purchase of goods and services costing \$5,000,000 or more per year per contract, eliminating the current requirement that Regents approve purchases in excess of \$1,000,000. The revisions also institute Regental oversight via a twice-per-year report to the UNM Board of Regents listing purchases in excess of \$5,000,000. The edits also update a reference to an employee's title. A redline version of the policy is shown as ATTACHMENT 1.

Background

Originally adopted in 1996, the policy exists to make sure that UNM operates in the most economical and efficient manner possible while making sure that there is oversight so that the university follows State Procurement Code. The current practice introduces procurement delays that keep the University from operating in the most economical manner. Our objective is to improve the effectiveness of our operation, including contract approval timeliness and efficiency, to help us get access to best value while still ensuring that all purchases continue to be made in accordance with University policies and procedures. A procurement limit of \$1,000,000 and the requirement that the University obtains Regental approval before making purchases beyond that amount has caused delays resulting in increased costs. In order to obtain the best obtainable prices from vendors, employees often need to meet deadlines to achieve a more favorable price. Multi-year agreements at lower price points often take the grand total over the allowable limit.

Note that in comparison, several of our institutional competitors have no Regent approval limits or the limits are set very high to allow procurement flexibility. Please also note that the UNM Board of Regents has approved all of the recent Purchasing items that have come before them since 2016. The list of items is enclosed as ATTACHMENT 2.

Purchasing Safeguards

By Comparison – Institutional Regent Approval \$ Limits

- Clemson University – \$5M/\$1M w/ term >5 years
- Indiana University – No \$ Limit/Authority delegated to President (except for transactions that require Higher Ed Comm. Approval)
- Oregon State University – No \$ Limit, delegated to President
- The University of Massachusetts – No \$ Limit, delegated to President/CFO
- The University of Chicago – No \$ Limit, delegated to President
- Virginia Tech University – No \$ Limit, delegated to President
- The University of Washington – \$15M
- University of Maryland – \$5M
- University of Oregon – \$5M
- The Penn State University – \$3M
- Iowa State University – \$2M
- Texas A&M University – \$1M
- **The University of New Mexico - \$1M**
- Oklahoma State University – \$250K

UNM procurement has safeguards in place to make sure there is oversight of purchases. The University policy on purchasing governs all purchases of supplies, materials, equipment, construction and contractual services for the University and clearly stipulates that the University of New Mexico Purchasing Department will make such purchases or oversee delegations. Per the State Procurement Code statute 13-1-125, procurement less than \$60,000 is subject only to University regulations. Those regulations are summarized below.

\$0 - \$10,000	Services	Small Purchase - Delegation to trained personnel
\$0 - \$10,000	Goods	Small Purchase - Delegation to trained personnel
\$10,000 – \$59,999		Informal Purchase - Competition or knowledge of competition expected, but can be waived.
\$60,000+		State Bid Limit. Advertised, written competition required; bids or proposals are required unless an exception applies (Sole Source, Exempt from Procurement Code, etc).

Purchasing also has the option to apply Federal Procurement Thresholds on purchases made with Federal funds as outlined in Uniform Guidance.

UNM Requisition/Purchase Order Process

A Purchase Requisition is required to originate the process of purchasing goods from off-campus vendors, unless the purchase is authorized with Purchasing Card (PCard), Petty Cash or Chrome River Expense Report.

- A University department initiates a LoboMart electronic purchase requisition for a vendor in order to request that the Purchasing department place an order for goods or services on their behalf via a Purchase Order.
- LoboMart has several electronic catalog vendors which allow the end user to build a requisition from content in the vendor’s website. With these vendors, users also have the ability to use a PCard as method of payment in lieu of the requisition/PO process on orders up to \$10,000. Most requisitions, however, are created without the use of integrated electronic catalog content.
- The initiating department attaches their supporting documentation to their LoboMart requisition so it can be viewed by the requisition’s approvers and by the Purchasing department.
- Once created by the originating department, a LoboMart requisition routes through an electronic approval process inside LoboMart based on the indexes/funds that are to be charged. After the originating department(s) approves the requisition, it then routes to the appropriate central accounting office(s) for approval. The central accounting office is responsible for ensuring the appropriate index and account codes are used, and that the expenditure is reasonable, allocable and allowable.

Buyer Limits

Individual authorized Buyers must approve the purchase requisitions. Their limits are as follows:

Title	Limit
Sr. Purchasing Rep	\$20,000
Contracts Specialist	\$100,000
Associate Director-Finance & Admin/ Manager – Purchasing/ Sr Contracts Specialist	\$500,000 or as designated by Chief Procurement Officer**
Chief Procurement Officer	Unlimited
** See comprehensive list as noted in UNMBPP Manual 2010, Exhibit B	

- Under the proposed edits to Regents Policy 7.4, the Chief Procurement Officer will obtain presidential approval before authorizing any purchase in excess of \$5,000,000.
- Once a Purchase Order is issued in LoboMart, the Purchase Order is automatically exported into Banner, creating a matching Banner Purchase Order that receives additional scrutiny.

Other Purchase Order Notes

- A Purchase Order (PO) serves as the University's contract with the vendor. It therefore is UNM's official authorization to the vendor to make shipment/delivery of goods or to perform services. The PO includes a description of goods, quantity, vendor, date, the estimated price of goods or services needed. A PO also encumbers the funds of the originating department, committing them for the use on the PO.
- A PO can be authorized only by the Chief Procurement Officer or by that Officer's designee (usually a Contracts Specialist). UNM issues two types of Purchase Orders: Regular Orders (goods) and Standing Orders (services – one-time and recurring).
- On large purchases, the Contract Specialist may use a General Services Agreement (GSA), State Contract, and other cooperative pricing agreements in lieu of bidding as per State Statutes 13-1-129 & 13-1-135.
- Sole Source Purchases are posted in the UNM Sunshine Portal for 30 days prior to Purchase.
- Effective 7/1/14, Conflict of Interest Forms are only required on Request for Proposals (RFP)/ Invitation for Bid (IFB) and Sole Source Purchases.
- UNM employs best practices in proactive procurement. As such, the ratio of RFPs & Bids to bid-limit POs is not typically a 1:1 ratio. The majority of our RFPs exist for multi-year contracts, many of which can be used by many departments throughout campus. It is not uncommon for dozens, even hundreds of POs and purchases to be made off a single bid or proposal.

ATTACHMENT 1

Regents' Policy Manual - Section 7.4: Purchasing DRAFT of 09.09.21 (Redline Copy)

ATTACHMENT 2

Board of Regents Requests for Approval from 2016-2021



DRAFT of 09.09.21 (Redline Copy)

Regents' Policy Manual - Section 7.4: Purchasing

Adopted Date: 09-12-1996

Amended: 04-08-2014

Applicability

This policy applies to the purchase of supplies, materials, equipment, and contractual services. It also applies to the reimbursement of employees for expenses incurred in the performance of University business.

Policy

The University of New Mexico is committed to operating in the most economical and efficient manner possible. The University shall follow the State Procurement Code unless the Board of Regents expressly determines that an alternative procedure is required in a specific area in order to carry out the University's mission. The Board has made no such determination as of the effective date of this policy. All funds received by the University, regardless of their source, are considered to be University funds and all purchases shall be made in accordance with University policies and procedures.

Except as otherwise provided in this manual with regard to real estate matters ([RPM 7.9](#)) and construction projects ([RPM 7.12](#)), the ~~President~~ ~~Regents~~ shall authorize the execution of contracts for the purchase of goods or services ~~costing in excess of \$54,000,000 or more per year contract.~~ A report of purchases in excess of \$5,000,000 will be presented to the Regents twice a year for review.

Implementation

The President shall establish specific procurement policies that assure the procurement of goods and services of acceptable quality at the lowest possible cost. The President shall also establish policies and procedures for the reimbursement of employees for appropriate expense incurred in the performance of University business, such as travel, recruitment and hiring of new employees, hospitality of guests of the University, and business expenses. All such policies and procedures shall ensure compliance with all applicable state and federal laws regarding the

procurement and management of goods and services. The President may also establish policies to assure minimum performance standards and compatibility with other University investments in facilities and equipment.

Delegation of Authority

UNM's Chief Procurement Officer shall be its Central Purchasing Officer, under the general direction of the Senior Executive Vice President for Finance and Administration. The Chief Procurement Officer shall have the sole authority to establish the institutional procedures for obligating the University for the procurement of supplies, materials, equipment and contractual services.

The purchase of goods and services for clinical components of the Health Sciences Center may be performed by the University of New Mexico Hospital Purchasing Department, as a separate satellite purchasing office of the University, in compliance with University procurement policies and procedures and under the direction of the Chief Procurement Officer.

References

The University of New Mexico is exempt from the requirement that all purchasing for state agencies be performed by the State Purchasing Agent. NMSA 1978, § 13-1-98.

Board of Regents Request for Approval- Main Campus		
Date	Item	Cost
8/18/2016	SciQuest Software Renewal	\$ 550,000
11/15/2016	High Gradient Magnetic Resonance Imaging Scanner	1,800,000
12/13/2016	University Libraries and Health Science Library and Informatics Center-Periodical Subscriptions	3,500,000
3/13/2017	Cogeneration Turbine Unit #1 Engine Overhaul	1,000,000
3/12/2018	UNM Press Fulfillment Services-Longleaf Services, Inc.	1,290,000
10/21/2020	Nike All-Sport Agreement	1,500,000
2/16/2021	UNM Learning Management System	2,498,376
Board of Regents Request for Approval- UNMH		
Date	Item	Cost
2/11/2016	Approval of UNM Hospitals Contract with MSI Consulting, LLC, dba Surgical Directions	\$ 2,253,200
2/11/2016	Approval to Establish the Judy Putnam Dirks Quasi-Endowment Chair for Gynecologic Cancer Care,	750,000
2/11/2016	Approval of the Motion Regarding Approval of the Master Development Planning and Financial Planning for the Proposed Replacement Hospital Project	3,000,000
5/13/2016	Approval of the UNM Hospitals Contract with Cerner Corporation for Electronic Medical Record Remote Hosting Services	20,233,924
5/13/2016	Approval of the UNM Hospitals Contract with Infor (US), Inc	2,439,475
5/13/2016	Approval of the UNM Hospitals Contract with Jaynes Corporation for the Interventional Radiology Computed Tomography Repair and Replacement Project	1,000,000
5/13/2016	Approval of the UNM Hospitals Contract with Siemens Medical Solutions USA, Inc. for the Purchase of Two Bi-Plane Angiographic Rooms,	3,500,000
5/13/2016	Approval of the UNM Hospitals Contract with Medline Industries for Custom Packs..	11,000,000
12/13/2016	Approval of the UNM Hospitals Contract with Philips Healthcare Informatics, Inc	12,000,000
1/20/2017	Approval of the UNM Hospitals Contract with Covidien Sales, LLC, a Medtronic Company	11,900,000
5/11/2017	Approval of UNM Hospitals Contracts with Cerner Corporation, Siemens Medical Solutions USA, Inc., and CareFusion Solutions, LLC	Cerner- \$5,588,483.00 Siemens- \$3,385,965.00 CareFusion- \$6,847,620.00
12/12/2017	Approval of the UNM Hospitals Contracts with Eco-Tex Healthcare Linen Service Corp	1,910,372
2/13/2018	Approval of the UNM Hospitals Contracts with B. Braun Medical, Inc	8,400,000
3/12/2018	Approval of UNM Hospitals Contracts with Fidelity Management Trust Company and Stryker Sales Corporation	Fidelity- \$46,116,000.00 Stryker- \$2,661,378.00
11/15/2018	UNMH request for approval of Siemens Vision 600 PET-CT Scanner	2,701,100
2/12/2019	Request for the Approval of Program Management – Modern Medical Facility	6,789,262
2/12/2019	Request for the Approval of Architect/Design – Modern Medical Facility	33,858,800
5/9/2019	Request for Approval of the Biosense Webster Catheter Agreement	1,400,000
5/9/2019	Request for Approval of the Pharmacy Coumadin Clinic	2,400,000
5/9/2019	Request for Approval of UH Main Facilities AHU 117 Replacement	473,000
9/17/2019	Approval of Zimmer US Trauma Services	1,400,000
9/17/2019	Approval of KCI Wound Care VAC Therapy	5,500,000
9/17/2019	Approval of Cerner Corporation Maternity and Fetal Monitoring Software	2,921,564
9/17/2019	Approval of Cerner Corporation Electronic Prescriptions for Controlled Substances Software System	833,280
1/24/2020	Discussion and Approval of MOU with the City of Rio Rancho relative to development of Health Sciences Rio Rancho Campus, including NMFA funding of the Orthopedic Center of Excellence	20,802,411
2/18/2020	Approval of Perfusion and ECMO Services and Supplies – CCS Perfusion Service	7,500,000
3/9/2020	CTH-Radiology-EOS Imaging Machine and Spatial Reconfiguration	525,000
3/9/2020	UH Main 2nd Floor Sterile Processing Dept. Decontamination Renovation	690,000
3/9/2020	UH Main 4th Floor Pulmonary Lab Renovation	545,000
7/14/2020	Approval of UNM Comprehensive Cancer Center Integrated Informatics System	3,022,000
7/14/2020	Agreement with Cerner Corporation: Remote Hosting Services	34,788,936
7/14/2020	Agreement with Cerner Corporation: Existing Solutions	25,218,261
7/14/2020	Agreement with LivaNova re Vagus Nerve Stimulation Therapy System	26,000,000
10/21/2020	Approval of Contract: Elekta Inc. for the Service Maintenance and Repair of Linear Accelerators- Dept. of Radiation Oncology at the UNM Comprehensive Cancer Center	2,347,850
12/9/2020	Approval of HSC Upper Plaza Collaboration Structure	
12/9/2020	Approval of UNM Hospital Items Colburn Hill	14,250,000
12/9/2020	Approval of UNM Hospital Items Telehealth Platform and Platform Software Support	2,250,000
2/16/2021	Medical Equipment Consultant	2,347,325
2/16/2021	1209 University Clinic – DOH Licensing	1,265,000
2/16/2021	2400 Tucker Clinic – DOH Licensing	2,500,000
2/16/2021	Crisis Triage	1,300,000
2/16/2021	Uptown Clinic Lease	193,600
4/13/2021	Approval of Clifton Larson Allen (CLA) services	1,917,670