

# Virginia Tech's Restructuring and Autonomy from the Commonwealth of Virginia As It Relates to Purchasing

## The Restructuring Act

Virginia Tech entered in to a Management Agreement with the Commonwealth in 2004 that gave us restructured authority in the following administrative areas: Procurement, Capital Construction, Information Technology, Finance and Human Resources.

The Restructuring Act grants Virginia's public institutions of higher education, including Virginia Tech, greater financial and administrative autonomy, allowing the university to more effectively and efficiently manage day-to-day operations. In exchange for increased autonomy, each institution must commit to meet specific statewide goals. The Act provides for three levels of autonomy; Virginia Tech – along with University of Virginia, The College of William & Mary, and Virginia Commonwealth University – is currently operating at the highest degree of autonomy.

## Exempt from Virginia Public Procurement Act

Restructuring exempted the University from the Virginia Public Procurement Act. However, we are now bound through the management agreement to a parallel set of rules called The Governing Rules. The procurement rules (the Governing Rules) we follow are the same rules that all restructured universities in The Commonwealth follow but may be different than some centralized state agencies or the Department of General Services.

## The Governing Rules

The Governing Rules are maintained in the university's management agreement with the Commonwealth. These run parallel with the Virginia Public Procurement Act with a few exceptions.

With restructuring, the University is now exempted from following the Virginia Public Procurement Act with three exceptions:

- Prompt Pay Requirements – payment must be made within 30 days of receipt of goods or valid invoice – whichever occurs later. (\*Note: Timely receiving of goods and services in HokieMart is essential to meeting Prompt Pay Requirements)
- Freedom of Information Requirements – all procurement information is open for public review except for proprietary information.

- Ethics and Conflict of Interest Requirements – anyone who affects a procurement transaction is subject to ethics and must avoid any conflict of interest or appearance of conflict of interest.