

**COLORADO COMMUNITY COLLEGE SYSTEM**

**SYSTEM PRESIDENT'S PROCEDURE**

**UNFAIR COMPETITION**

SP 8-70

Reference:

24-113-101 to 105 C.R.S.

Effective: October 6, 1988

Revised: July 1, 1997

Retitled: September 14, 2000

Retitled: August 25, 2001

Approved:

S/ Dorothy A. Horrell, System President

Application:

State System Colleges

Procedure:

Unfair competition as that is defined in law is prohibited. The statute requires CCHE to develop guidelines (copy attached) to implement the statute.

COLORADO COMMISSION ON HIGHER EDUCATION  
10/6/88

SECTION II

PART C GUIDELINES, REVIEW PROCEDURES AND REPORTING POLICIES FOR THE  
PROVISION OF GOODS AND SERVICES BY COLORADO PUBLICLY-SUPPORTED  
INSTITUTIONS OF HIGHER EDUCATION

1.00 Guidelines for the Provision of Goods and Services

Introduction

The primary mission of higher education institutions is to create and disseminate knowledge. To perform this mission, it is often necessary for institutions to provide, and charge fees for, goods and services that enhance, promote, or support their teaching, research, and public service functions. It is important, however, that institutions be mindful that the provision of goods and services may be in competition with private businesses, and remain sensitive to the interests of private businesses.

The purpose of these guidelines is to define the legitimate purposes of the provision of goods and services by institutions of higher education and to establish a mechanism for addressing complaints of unfair competition by private businesses. These guidelines were developed in accordance with Colorado Revised Statutes Title 24 of Article 113, in consultation with governing boards and business to be implemented by governing boards on each of the campuses under their control.

1.02 Exclusions

In recognition of the teaching, research, and public service missions of higher education institutions, these guidelines shall not apply to the following situations:

- 1-02.01 instructional charges;
- 1.02.02 services provided in the experiential aspects of instructional and research programs;
- 1.02.03 services for fees in extracurricular or residential life programs, including residence halls, food service, athletic, recreational and cultural programs;
- 1.02.04 the University of Colorado Health Sciences Center, except in those cases where a prosthetic or medical device is provided without an accompanying surgery or medical procedure;
- 1.02.05 the provision of free medical services or equipment to indigent in association with a community service health program; and
- 1.02.06 public service radio and television stations licensed to a governing board or to an institution under its control.

1.03 Guidelines

It is appropriate for higher education institutions to provide and charge for goods and services to students, faculty, staff, and invited guests, under the following conditions:

- 1.03.01 The good or service is authorized by statute.
- 1.03.02 The good or service offers a valuable educational or research experience for students as a part of their education,
- 1.03.03 The good or service fulfills the public service mission of the institution of higher education,
- 1.03.04 The good or service is being provided other than through intergovernmental or interagency agreement with another agency of state government or unit of local government, which, if provided directly by the institution would be in violation of these guidelines.

1.04 Criteria for Provision of Goods and Services to Students, Faculty and Invited Guests

In determining the appropriateness of a good or service to the campus community, consideration shall be given to the following criteria:

- 1.04.01 Whether the good or service is substantially and directly related to the instructional, research, or public service mission of the institution.
- 1.04.02 Whether the good or service is necessary or convenient for the campus community.
- 1.04.03 Whether the intended use of the good or service is for students, faculty, staff, or invited guests rather than the general public, Invited guests are defined as persons who enter a campus for an educational, research, or public service activity, and not primarily to purchase or receive goods and services not related to the educational, research, or public service mission of the campus.
- 1.04.04 Whether the price charged reflects the direct and indirect costs and overhead costs of the good, as well as the price in the private marketplace.
- 1.04.05 Whether in establishing the price of the good or service, consideration was given to the price in the private marketplace.
- 1.04.06 Whether there is a demand by the general public for the good or service.

1.05 Criteria for Sales to the External Community

In assessing the validity of providing goods or services to the external community, both of the following criteria must be met:

- 1.05.01 The good or service represents a resource that is directly related to an institution's educational mission, not commonly available or otherwise easily accessible, and for which there is a demand from the external community,

- 1.05.02 the goods or services are byproducts of the institution's instructional, research, or public service activities;
- 1.05.03 the institution has specific statutory authority to sell the good or service; or
- 1.05-04 the good or service is produced from the business-like management of the assets of the institution for the exclusive benefit of the institution;

AND

- 1.05.05 The price charged is sufficient to recover the full costs, including both direct and appropriate indirect costs, of the good and service. The price of such items in the private market place shall be taken into account in establishing the price or fee.

## 2.00 Guidelines for Grievance Review Procedures

In the event that the provision of a good or service by a higher education institution is perceived to be in competition with a privately owned business, that business shall be provided the opportunity for a hearing of such complaint according to the following guidelines:

- 2.01 The complaint shall first be heard by the chief executive officer of the institution or his designee.
- 2.02 If resolution is not reached as a result of the initial review by the institutional chief executive officer, appeal may be made to the governing board of the institution.

## 3.00 Reporting Procedures

- 3.01 Governing boards shall submit, by February 1, and August 1 of each year, semiannual reports to the Commission regarding the outcome of grievances reviewed pursuant to the procedures established in accordance with Section 2.00 of these guidelines.
- 3.02 The Commission shall report annually to the Governor and the General Assembly as to the implementation of the grievance review procedures.