

Procurement And Purchasing Policy

I. Background And Purpose

- A. The purpose of this policy statement is to provide management with policy and regulations governing Foundation purchases.
- B. The Foundation is committed to open and free competition, to the maximum extent practical and prudent, in the purchase of equipment, materials, supplies and services necessary for auxiliary support service activities provided by the Foundation.
- C. The Foundation is committed to providing cost effective services.
- D. The Foundation is bound by Federal and State laws and guidelines.

II. Policy And Regulations

A. Policy Provisions

- 1. Purchases shall be made in a manner which supports and facilitates the competitive bidding process and be at the lowest cost consistent with quality, specifications, service and product availability.
- 2. Purchases shall follow what is customary in the market place for a particular commodity or product and be consummated in such a manner so as to constitute a reasonably prudent documented business transaction.
- 3. Fitness and quality being equal, recycled products shall be considered for procurement in place of non-recycled products whenever such products are available at no more cost than their non recycled counterparts.
- 4. Sponsored program purchases must also adhere to the requirements set forth in the grant or contract agreement.
- 5. Purchases from funds held in trust for the university by the Foundation shall conform to the university policy and regulations governing the use of such funds.
- 6. Volume or pool purchases, annual purchase agreements and State purchasing contracts shall be utilized when deemed to be advantageous to the Foundation.

7. Purchases from Foundation employees, California State University staff or faculty of items for resale shall be certified as to their competitive value by the appropriate department head and be approved by the appropriate dean or Foundation management.
8. Sole source purchases, exceeding \$5,000, on a noncompetitive basis will require written justification and approval of the Executive Director, Chief Financial Officer, or their designee.
 - a. Unique performance factors of the products specified,
 - b. Why these factors are required, and
 - c. What other products have been evaluated and rejected, and why.
9. Special provisions for Federally sponsored grants and contracts:
 - a. Positive efforts shall be made to utilize small businesses and minority, women or disabled owned businesses.
 - b. Purchases in excess of \$10,000 shall include the basis for contractor selection, justification for lack of competition when competitive bids are not obtained and the basis for the award.
 - c. Purchases in excess of \$10,000 shall include contractual provisions for contract or legal remedies for contractor breach of contract, termination by recipient and compliance with Equal Employment Opportunity orders.
 - d. Sole source purchases in excess of \$5,000 are subject to prior approval at the discretion of the Federal agency.
10. No Foundation Board member, employee, nor California State University employee by virtue of their position, will personally derive any benefit, gain or receive preferential treatment from the use of facilities or procedures available to the Foundation for the purchase of equipment, supplies or services.
11. Sales to Board members, Foundation employees, California State University staff or faculty shall be at no less than retail value.
12. Employees failing to follow the purchasing policy or procedures may be assuming a personal liability for payment to the vendor and may be subject to appropriate disciplinary action.

B. Regulations

Consistent with the policy provisions in Section A above, the following regulations apply to Foundation purchases:

1. Equipment, materials and supplies
 - a. Purchases under \$5,000 - Such purchases shall be accomplished in a manner customary to the market place using sound business practices. Price quotations will not be required.
 - b. Purchases from \$5,000 to \$20,000 - Price quotes must be obtained from three or more vendors, either in writing or by telephone. Documentation should include date, vendor name, contact person, phone number and be attached to the requisition or be maintained on file for audit purposes.
 - c. Purchases greater than \$20,000 - These shall be based on written specifications and on a solicitation award process which recognizes competitive price, responsiveness to specifications, and reputation of vendors. Such procedures are not applicable to merchandise for resale. Offers should generally be sought from as many responsible vendors as is practical.
2. Computer equipment (hardware and software)
 - a. The purchase of computer hardware and software for Foundation operations shall be compatible with program or project goals and objectives, be within the approved budget, and be reviewed; by the Foundation Executive Director, Chief Financial Officer or their designee.
3. Exceptions to bidding
 - a. Bidding will not be required on purchases of less than \$5,000.
4. Authority to purchase
 - a. Prior management approval is required if a contemplated purchase is not within an approved operating guideline budget.

- b. Purchases of \$5,000 or less may be approved by the appropriate project manager, budget manager, administrator or their designee. Purchase orders are optional.
- c. Purchases in excess of \$5,000 must receive the additional approval of the Executive Director, Chief Financial Officer, or their designee. Purchase orders or contracts are required.
- d. Confirming purchase orders may be approved under unusual circumstances when time is of the essence. Such purchases must be approved by the appropriate project manager, budget manager, administrator or designee. In addition, if the purchase exceeds \$5,000, it must be approved by the Executive Director, Chief Financial Officer, or their designee.
- e. Purchases from contract and grant funds shall be approved in accordance with the sponsoring agency's contract. Equipment purchases for an approved grant or contract shall be governed by conditions of the executed grant or contract.
- f. Equipment purchases in excess of \$20,000, excluding grant and contract purchases, shall be approved by the Board of Governors. Under emergency conditions or unusual circumstances, such approval is granted to the Executive Director with a subsequent report to the Board of Governors.
- g. Standing purchase orders may be used for routine repetitive purchases from the same vendor. Standing purchase orders may not be used to purchase equipment or to circumvent this policy statement.
- h. See the "Construction On - Campus Capital Outlay Projects" for special regulations regarding buildings to be erected on campus. This is in the Foundation handbook on pages 23-25.

III. Implementation

The Executive Director is charged with the responsibility of implementing this policy statement through management guidelines.