

UNIVERSITY CORPORATION, SF STATE

PROCUREMENT POLICY

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PURPOSE

The purpose of this policy is to set forth the manner in which the University Corporation, SF State (UCORP) procures goods and services for internal, campus programs, scholarships and sponsored program activities.

STATEMENT OF POLICY

1. Purchases shall be made in a cost-efficient manner which supports and facilitates competition while still meeting the operational requirements of the UCORP, such as quality, specifications, service, and product availability.
2. Purchases shall follow what is customary in the marketplace for a particular commodity or product and be consummated in such a manner so as to constitute a reasonably prudent and well documented business transaction.
3. Sustainable and/or recycled products shall be considered for procurement in place of non-sustainable/recycled products whenever such products are available at no additional cost.
4. Procurement of goods, services, and equipment for sponsored programs must adhere to the requirements set forth in the Grantor's contract/agreement and the approved budget, where applicable.
5. Procurement of goods, services, and equipment for campus programs (trust accounts) shall be procured consistent with the policies set forth herein and approved by the authorized account signer. In the discretion of the Executive Director of UCORP, certain trust account expenditures may not be made in the name of the UCORP as they could create an obligation of the UCORP that may require approval by the UCORP management. Such expenditures should be reviewed by the Director of Admin and Finance and if necessary may require the approval of the Executive Director.
6. Procurement of goods, services, and equipment for the management and operation of the UCORP must be consistent with the line item amounts included in the annual budget(s) approved by the UCORP Board of Directors. In the event that required goods, services and/or equipment exceed the budgeted amount, the expenditure will require approval by the board or its executive committee.
7. No UCORP board member, UCorp Officers and Managers, employee or California State University employee by virtue of their position, will violate the UCORP's Conflict of Interest Policy or any related employee personnel policy by personally deriving any benefit, gain or preferential treatment for the purchase of equipment, supplies or services. Sales to Board Directors, auxiliary employees, or California State University employees shall be at

no less than retail value, and shall not violate the UCORP's Conflict of Interest Policy or any related employee personnel policy.

8. Violation of this policy or the UCORP's Conflict of Interest Policy or any related employee personnel policy could cause an employee to be subject to disciplinary action.

Execution of purchase orders and written agreements shall be consistent with signature authority resolution(s) approved by the UCORP Board of Directors. The Executive Director and the Director of UCORP Admin and Finance are charged with the responsibility of implementing this policy on behalf of the UCORP.

REGULATIONS

1. Purchases of \$5,000 or less may be approved by the appropriate project manager, administrator, or designee. Such purchases shall be accomplished in a manner customary to the marketplace using sound business practices. Price quotations may be required if the UCORP determines the goods or services have been repetitively purchased from the same vendor. Purchase orders are optional, but strongly encouraged.
2. Purchases in excess of \$5,000 **must be** approved by the Director of UCORP Admin and Finance or the Executive Director or his/her designee. To the extent practicable, account holders should obtain a minimum of three (3) competitive bids based upon price, quality, performance and/or technical specifications, and vendor responsiveness. ***Such procedures are not applicable to merchandise purchased for resale. A Purchase Order is required for purchases \$10,000 or higher and for repetitive purchases to the same vendor where the cumulative amount is over \$5,000.***¹
3. Purchases in excess of \$20,000 require a formal written agreement to be executed prior to purchase, unless advance approval is given by the Executive Director or his/her designee. Such purchases are subject to the approval of the Executive Director or his/her designee, consistent with approved budgets.
 - a. Sole source purchases, equaling or exceeding \$20,000, on a non-competitive basis will require written justification and approval of the Executive Director and the Director of UCORP Admin and Finance.

Written justification must include:

- Description of the unique performance factors of the products specified

¹ It is acknowledged that, while vendors may not always require (or accept) purchase orders, they will still be generated to assure proper approval and fund encumbrance. When a written contract is executed with a vendor, purchase orders will be generated but only given to vendors when requested.

- Rationale for why these factors are required
 - Explanation of other products that have been evaluated and rejected, and the rationale for their rejection
 - Documentation as to why bids/proposals were not available from comparable vendor(s)
4. Open purchase orders may be used for routine repetitive purchases from the same vendor except for equipment.
 5. Computer Equipment (Hardware and Software): The purchase of computer hardware and software for UCORP operations shall be compatible with program or project goals and objectives, be within the approved budget, and be reviewed and approved by the Director of Admin and Finance.
 6. Purchases from federally sponsored program, grant or contract funds shall be executed and approved in accordance with the sponsoring agency's procurement policies and in accordance with terms and conditions contained in said contract or agreement. In absence of such policies, this policy will be followed.

In addition to the foregoing, the following shall apply:

- a. Positive efforts shall be made to utilize small businesses and minority, women, or disabled owned businesses.
- b. Purchases in excess of \$25,000 shall include the basis for contractor selection, whether or not other competitive bids were obtained and, if not, why and the basis for determining final award. Such purchases shall be executed with a written agreement that includes contractual provisions for legal remedies for contractor breach, termination by recipient, and compliance with Equal Employment Opportunity Commission requirements.
- c. Sole source purchases in excess of \$5,000 are subject to prior approval at the discretion of the Federal agency if funding from a grant or the Executive Director or Director of Admin and Finance for all other programs under UCorp. If over \$25,000 then prior approval would be required from the Executive Director and Director of Admin and Finance.
- d. The UCORP is prohibited from contracting with or making sub-awards for covered transactions to parties or their principals that are suspended or debarred by any Federal department or agency.