

University Enterprises, Inc. Policies and Procedures		Policy No. 2025
Section:	Business Services	
Policy:	Purchasing Policy	
Effective or Revised:	December 11, 2015	

University Enterprises, Inc. Purchasing Policy

I. PURPOSE

To provide management with policy and regulations governing UEI purchases.

II. SCOPE

This policy applies to all UEI personnel.

III. POLICY

I. Background and Purpose

UEI is committed to active competition in the purchase of equipment, materials, supplies and services that will aid and supplement the instructionally related and auxiliary support service activities provided by UEI.

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 than the total cost of their non-recycled counterparts.
4. Purchases must comply with the letter and spirit of all laws applicable to UEI's business and interest including contract law, and anti-trust laws which prohibit price fixing resulting in the elimination of free competition. Purchases must also adhere to the requirements set forth in the grant or contract agreements.
5. Volume or pool purchase, annual purchase agreements and State purchasing contracts shall be utilized when deemed to be advantageous to UEI.
6. Management shall promote good vendor relations within ethical limits, selecting suppliers with proven capability and integrity, and ensuring that these suppliers' performance meets UEI standards.

7. Sole source purchases on a non-competitive basis will require written justification and approval of the Executive Director or his/her designee. The written justification should include:
 - Unique performance factors of the products specified.
 - Why these factors are required, and
 - What other products have been evaluated and rejected, and why.

Note: If purchases for facility improvements or equipment are made at the request of (or in conjunction with) the University, no bids are required as long as the University followed appropriate State procurement processes. A written statement that the University obtained bids or recommended sole source purchase is acceptable.
8. Purchases from UEI employees, CSU 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 UEI management.
9. No UEI Board member, employee, or CSU employee by virtue of their position, will personally derive any benefit, gain or receive preferential treatment in connection with the purchase of equipment, supplies or services.
10. 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 UEI purchases:

1. Equipment, furniture and fixtures, regularly stocked materials and supplies (see Section 4 for exceptions for merchandise for resale):
 - a. Purchases under \$10,000 - Such purchases shall be accomplished in a manner customary to the market place using sound business practices.
 - b. Purchases between \$10,000 - \$25,000 - Price quotes must be obtained on all purchases where the amount equals \$10,000 or more but is less than \$25,000. Such quotes should be sought from two or more vendors, either by telephone or in writing. Documentation should include vendor name, address, telephone number, and total bid dollar amount. Documentation should be attached to the requisition and be maintained on file for audit purposes. All purchases over \$10,000 require a signed purchase order request.
 - c. Purchases of \$25,000 or more - Purchases 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 three or more responsible vendors. Requires signed purchase order request.
2. Computer Equipment (Hardware and Software):
 - a. For Sponsored and University Support Programs administered by Sponsored Programs Administration (SPA) - either contract language or state or federal code regulations govern the purchase of computer hardware and software. Prior written

- approval of the purchase shall be obtained from the funding sponsor, if required by the agreement.
- b. For other UEI Programs - The purchase of computer hardware and software for operations shall be compatible with program or project goals and objectives, within the approved budget constraints, and purchased in accordance with contract terms (if any). All non-SPA purchases should be reviewed by the UEI Director of Information Technology who will evaluate the compatibility with existing UEI and University systems and consider future systems development.
3. Procurement of Professional Services (Other than Legal and Auditing) through subcontracting and consulting:
 - a. For Sponsored Programs and University Support programs administered by SPA - The regulations for the procurement of services are governed by bid guidelines and thresholds established by either contract language or state and federal government regulations applicable to a grant/contract, or UEI, whichever is more restrictive.
Subcontracts or consultant agreements in an amount exceeding \$5,000 but under \$50,000 require a signed statement describing the qualifications of the person/company hired or the objective competitive process followed in selecting the person/company. For agreements of \$50,000 or more, a formal competitive request for proposal (RFP) bid process or sole source justification approved by the Executive Director, or designee, is required. If the grant or contract thresholds are stricter, then they supersede these guidelines. Services cannot begin until approved by UEI.
 - b. For other UEI and Campus Support Programs - Competition is not required for services unless UEI determines that competition is necessary in order to develop sources, validate prices, or for other sound business reasons.
 4. Exceptions to Bidding:
 - a. Foodstuffs and Seasonal Commodities - The purchase of foodstuffs and seasonal commodities shall be made upon the basis of quotations from several reliable and convenient sources of supply. Awards shall be on terms most advantageous to UEI based on quality, price, service and delivery.
 - b. Merchandise for Resale - The purchase of certain technical material and resale merchandise shall be made on the basis of quotations from several reliable and convenient sources of supply where practical. Awards shall be made on terms most advantageous to UEI based on quality, price, service and marketability.
 - c. Collaborating institutions of higher education on Sponsored Programs.
 - d. Entities listed on Sacramento State's Disabled Veteran Business Enterprise vendor list.
 5. Business Charge Cards:
 - a. Use of the card is limited to small purchases for office supplies, small equipment, approved and budgeted large equipment, online orders, business meals, conference registration, and airfare and hotel reservations for official business. Unallowable transactions include cash advances, and purchases of capitalized equipment (unless vendor does not accept purchase order, personal expenses and payment for services or personnel compensation.
 - b. The charge card is the personal responsibility of the cardholder. If the card is lost or stolen, it is the cardholder's responsibility to immediately notify the issuing bank and

UEI. All charges made on the card are the personal responsibility of the cardholder unless approved in writing by UEI management.

- c. All charge information, including the original charge slip, the date and purpose of the expense, and the account and object code numbers must be submitted to the account administrator within ten (10) days of purchase(s).
- d. The business card bill will be paid by UEI upon receipt of the statement from the bank. A copy of the statement will be sent to the cardholder for clearing of any outstanding charges. No charges should remain outstanding for more than 30 days.

6. Authority to Purchase:

For all programs administered by SPA: See SPA User's Manual.

For all other programs:

- a. Prior Executive Director approval is required if a contemplated purchase is not within an approved operating budget guideline.
- b. All capitalized equipment, furniture and fixtures purchases over \$5,000, pre-approved through the annual budget process, must be approved by a UEI director or their designee(s). Unbudgeted capital expenditures greater than \$25,000 require the approval of the Chair of the Budget & Finance Committee. The approval of UEI's Executive Director is required for acquisitions greater than \$10,000 whether budgeted or unbudgeted.
- c. Purchases (other than capital equipment and merchandise for resale) of \$3,000 or less may be approved by the appropriate budget manager, or their designee(s).
- d. Purchases (other than capital equipment and merchandise for resale) in excess of \$3,000, such as training and travel, must have prior approval of the appropriate UEI director, if already pre-approved through the annual budget process. The Executive Director's approval is also required if the purchase is not within an approved operating budget guideline.
- e. Purchases of merchandise for resale, such as foodstuffs and commodities and technical material and supplies shall be approved by the appropriate director, or their designee, within the parameters of their respective operating budget guideline .
- f. Confirming purchase orders (other than merchandise for resale) may be approved under unusual circumstances when time is of the essence. Purchases under \$3,000 must be approved by the appropriate budget manager or their designees. If the purchase exceeds \$3,000 it must be approved by the appropriate Enterprise director (and by the Executive Director if the purchase is not within an approved operating budget guideline).
- g. Equipment purchases (excluding programs administered by SPA) in excess of \$100,000 approved by the Executive Director, or his/her designee, shall be reported to, and require approval by, the UEI Board of Directors. The notification may be through the annual budget process.
- h. 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.

- i. The appropriate UEI director must approve the issuance of credit cards to employees. If the credit limit is greater than \$2,500, Executive Director approval must also be obtained. All cardholders must sign an "Agreement for Use of Business Card."

C. Implementation

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

IV. RELATED POLICIES

SPA User's Manual

Agreement for Use of Union Bank Business Card

Policy #2005 Expenditure Policy

Policy #2010 Fixed Asset and Intangible Asset Policy