

University Enterprises, Inc. Policies and Procedures		Policy No. 2025
Section:	Business Services	
Policy:	Purchasing Policy	
Effective or Revised:	June 25, 2021	

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, as well as all UEI funds and accounts.

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 proposal 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 sponsored program grants or contracts.
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. Subject to section 7.A, 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 price quotes 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.

- A. For any procurement made for or in connection with a sponsored program grant or contract, the following sole source justification rules shall apply:

Sole source purchases refer to those purchases in which only one supplier can provide the desired product or service because the product or service cannot be found anywhere else after having conducted a reasonable search that is free from favoritism. ***If it is in any way possible that the desired goods or services can be provided by more than one supplier, a sole source purchase is not appropriate.*** The fact that the purchaser prefers to use a specific supplier because of (i) convenience, (ii) a belief that a specific supplier has “more experience” than other suppliers, (iii) a personal relationship with a specific supplier, (iv) a favorable prior engagement with a specific supplier, (v) a belief that a specific supplier’s location or familiarity with a geographic area renders it more desirable than other suppliers, or (vi) a belief that anyone other than a specific supplier would experience a “learning curve” in supplying the needed goods or services, does **not** justify a sole source purchase. A sole source purchase will require written justification that is submitted to the Executive Director or his/her designee for approval. The written justification must include:

- A detailed description of the desired goods or services, the total expected price and duration of the purchase or service agreement, the specific features or performance specifications that are required, along with the qualifications of the requested supplier;
- A description of the efforts made to conduct a reasonable search for other suppliers; and
- A representation that after undertaking such reasonable search efforts, the sole source supplier is the only one from whom it is reasonably possible to provide the needed goods or services.

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

Subject to applicable laws and/or the requirements of sponsored program grants or contracts, to the extent they are more restrictive than the following, and consistent with the policy provisions in Section III.II.A above, the following regulations apply to UEI purchases:

1. Equipment, furniture and fixtures, regularly stocked materials and supplies (see Section 4 for exceptions):
 - 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 - \$50,000 - Price quotes must be obtained on all purchases where the amount equals \$10,000 or more but is less than \$50,000. 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 quote 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 \$50,000 or more - Price quotes must be obtained on all purchases where the amount is \$50,000 or more. Such quotes should be sought from at least three vendors, either by telephone or in writing. Documentation should include vendor name, address, telephone number, and total quote dollar amount. Documentation should be attached to the requisition and be maintained on file for audit purposes. Requires signed purchase order request. Nothing in this policy shall preclude the Executive Director or his/her designee from, in any instance, requiring a formal competitive bidding process for purchases of \$50,000 or more if he/she determines it is in UEI's best interests.
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 senior manager of UEI's Department 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 price quotes from at least three vendors are required, either by telephone or in writing. For all purchases made pursuant to this section III.II.B.3.a, if the grant or contract thresholds or applicable laws or regulations are stricter, then they supersede these guidelines. Services cannot begin until a written agreement is signed by the selected consultant or subcontractor and an authorized signatory of UEI. Nothing in this policy shall preclude the Executive Director or his/her designee from, in any instance, requiring a formal competitive bidding process for professional services of \$50,000 or more if he/she determines it is in UEI's best interests.
 - 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:
 - a. Collaborating institutions of higher education or auxiliary organizations on Sponsored Programs.
 - b. 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's website at <https://uei-sp.uei.csus.edu/policies-and-procedures/>. 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

Policy #610 Conflict of Interest