

Policy #: 420.0
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Next Review: *January 31, 2030*

TITLE: PROCUREMENT POLICY

I. Background and Purpose

University Enterprises Corporation (UEC) 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 UEC.

II. Policy Provisions

1. Purchases shall be made in a manner that supports and facilitates the competitive bidding process and at the lowest cost consistent with 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 to constitute a reasonably prudent documented business transaction.
3. Fitness and quality being equal, sustainable and/or 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. Volume or pool purchases, annual purchase agreement and State-purchasing contracts shall be utilized when deemed to be advantageous to UEC.
5. Independent Contractor status determination is required for all consultants or service providers with specific expertise. The Independent Contractor Determination form can be found on the UEC website at: [Independent Contractor Determination Form](#)
6. Purchases by UEC employees, CSUSB staff or faculty, of items for resale shall be certified as to their competitive value by the UEC Executive Director or Principal Investigator/Director for Sponsored Programs related purchases.
7. Purchases of Information & Communication Technologies (ICT) must be approved in advance by CSUSB Accessible Technology Services (ATS) and the Compliance Initiative Office. The approved ICT Accessibility & Security Online Review Form must accompany the purchase. Please refer to UEC Policy 425.0 for further directions. All

ICT purchases shall be made on a purchase order regardless of amount to ensure property can be tagged and tracked by campus.

8. In certain situations, a Sole Source Justification may be used on purchase orders over \$10,000 in lieu of obtaining three quotes or bids. These Sole Source purchases will require written justification, approval, and include the following information:
 - a) Unique performance factors of the products specified
 - b) Why these factors are required
 - c) What other products have been evaluated and rejected, and why
 - d) Unusual circumstances requiring immediate action
9. Conflict of Interest - To protect from possible allegations of conflict of interest, purchases with UEC funds should not be made by companies in which UEC staff or family members have an economic interest. Employees with conflicts of interest must disqualify themselves from making or participating in a decision that would have a material effect on a personal financial interest. No UEC Board member, UEC employee, or CSUSB employee by virtue of their position, can personally derive any benefit, gain, or receive preferential treatment from the purchase of materials, equipment, supplies, or services by UEC.
10. Authorized signers failing to follow UEC's purchasing policy and procedures may incur personal liability or financial obligation with the vendor.
11. The thresholds for purchasing are considered in aggregate; purchases should not be split to circumvent the UEC Procurement Policy.

III. Purchase Thresholds & Guidelines

1. **Sponsored Programs Exception** – Subrecipients or sub-awardees specifically identified in an award are excluded from purchase thresholds and guidelines as they are not considered a procurement activity. Consultant agreements over \$10,000 for service providers, evaluators, or highly skilled advisors named in a proposal with specific expertise and scope of work (as proposed to the sponsor), where informal price quotations and formal bids may not be an option (or appropriate), a sole-source justification will be required. In accordance with the Purchase Thresholds & Guidelines, a Purchase Order is also required.
2. **Purchases Under \$10,000** – Direct purchases under \$10,000 do not require a purchase order. Direct purchases may not be split or subdivided to bring the total dollar amount under the \$10,000 limit for requiring a purchase order. Direct purchases should be entered on a *Disbursement Check Request* form with signature approval by the

appropriate authorized individual. Original receipts and invoices must accompany each check request.

Direct purchases can also be accomplished using a CSUSB Corporate Card. See section IV below for additional information.

3. **Purchases from \$10,000 to \$50,000** - Purchase requisitions for amounts between \$10,000 and \$50,000 (exclusive of sales tax) require a Purchase Order and a minimum of three price quotations.

Quotes shall be obtained from three vendors in written or electronic format, and include applicable specifications, vendor name, address, telephone number, and total dollar amount. Every effort shall be made to secure quotations and develop sources from small and disabled veteran owned businesses. Documentation should be submitted when a requisition is generated and will be maintained with the purchase documents for audit purposes.

If, after reasonable effort, three quotes cannot be obtained, a Sole Source Justification will be required. Additionally, requisitions that limit the quotations to one source and/or brand or trade name must include a written justification, approved by the UEC Executive Director or his/her designee, explaining why the product specified is necessary for the successful completion of the requesting department's functions. The Sole Source Justification should include the following:

- a) The unique performance factors of the product specified
- b) Why these factors are required
- c) What other products have been evaluated, rejected, and why
- d) Unusual circumstances requiring immediate action

A reasonable price is defined as a price that does not exceed that which would be paid in the conduct of a competitive business. It may be established by market quotes, price, or cost analysis. A reasonable price need not be the lowest price available but is one which offers acceptable value to UEC and/or a sponsored project.

4. **Purchases Over \$50,000** – Purchase requisitions over \$50,000 require a Purchase Order and a minimum of three formal bids from providers based on written specifications, which recognize competitive pricing, responsiveness to specifications, and reputation of vendors. Vendors are allowed approximately thirty calendar days to respond after solicitations to bid have been issued.

Bid requests should include the following information:

- a) Clearly defined delivery terms and conditions
- b) The method or formula for determining the lowest bidder meeting specifications

- c) A reasonable amount of time for bidders to prepare and submit their bid response prior to the bid due date
- d) The closing date and exact time of opening of sealed bids
- e) Notification that bids received after the closing date and time will not be considered

If, after reasonable effort, three bids cannot be obtained, a Sole Source Justification will be required. Additionally, requisitions that limit the bidding to one source and/or brand or trade name must include a written justification, approved by the UEC Executive Director or his/her designee, explaining why the product specified is necessary for the successful completion of the requesting department's functions. The Sole Source Justification should include the following:

- a) The unique performance factors of the product specified
- b) Why these factors are required
- c) What other products have been evaluated, rejected, and why
- d) Unusual circumstances requiring immediate action

Buyer should consult with their UEC or Sponsored Program Administration contact to determine the appropriate handling of the formal bid process.

- 5. **Low Bid Exceptions** - UEC is not required to select the vendor with the lowest quote or bid. UEC can select on criteria determined to be in the best interest of the project. If other than the lowest bid is selected, a justification must be attached to the Purchase Order Request.

IV. Credit Card Purchases

- 1. UEC participates in the CSUSB Corporate Card program. This new credit card program replaces the previous UEC credit card program with Bank of America.
- 2. The new CSUSB Corporate Card program was designed to create a more efficient and cost-effective method for low dollar purchases of goods and services.
- 3. The CSUSB Corporate Card program is available for UEC employees and for CSUSB or UEC employees working on Sponsored Programs.
- 4. Requests for credit cards from UEC Corporate Office employees need approval from the UEC Executive Director. Requests for credit cards from UEC or CSUSB employees working on a Sponsored Program will need approval from Sponsored Programs Administration.
- 5. After receiving approval, employees will find the information on the application process and training requirements on the following campus links:

<https://www.csusb.edu/procurement/corporate-card>

<https://www.csusb.edu/sites/default/files/CSUSBCorporateCardApplicationTutorial.pdf>

6. Training will provide information on restrictions on use of the Corporate Card.
7. Reconciliation of CSUSB Corporate Card Program card is handled via CONCUR.
8. The approval workflow will include RA or designee approval
9. CSUSB Corporate Card payments are processed by CSUSB Accounts Payable.

V. Capitalization

A capital purchase is defined as a tangible piece of property with an acquisition cost greater than \$5,000 and a useful life of one year or greater and will be depreciated over the economic life of the asset.

VI. Capital Purchases separate from Board Approved Budgets

All capital purchases for commercial operations not previously approved by the UEC Board are subject to the availability of funding within the applicable account and require the following approvals:

- a) Purchases up to \$50,000 – The authorized signers have approval authority for the charged account and UEC’s Executive Director or his/her designee must approve.
- b) Purchases over \$50,000 – The Executive Director of UEC is authorized to expend beyond the budget an accumulated total of \$50,000 per semester. If the purchase exceeds \$50,000 the Executive Director will request the purchase be approved by the Board.
- c) Quotation and bid requirements as outlined above should be followed for all purchases.
- d) This requirement does not pertain to Sponsored Programs.

VII. Purchases from Sponsored Programs funds

Purchases made with Sponsored Program funds are only allowed 1) during pre-award if approved, 2) during the term of the award, and 3) during an approved extension or renewal. The authorized signer should anticipate purchase requirements far enough in advance so that the purchasing process can be completed, the service rendered, and goods received prior to expiration of the award.

Purchases of goods, services and equipment utilizing sponsored program funds may be subject to additional agency restrictions and should also adhere to the applicable requirements set forth in the funding agency award, contract or agreement, its approved budget, and/or Uniform Guidance 2 CFR 200.

Authority

Sponsored Programs Federally Funded Procurement and Sponsored Programs Externally Funded
Equipment & Property – <https://calstate.policystat.com/policy/14459936/latest>
Uniform Guidance: 2 CFR §§ 200.318-326 General procurement standards.

Approval:

Approved by the UEC Board of Directors on January 31, 2025.