

Procurement Policy

California State University, Dominguez Hills Foundation

Last updated: 2/21/18

PURPOSE

The purpose of this policy is to set forth the manner in which the Foundation procures goods and services for internal, trust account, 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 Foundation, 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.
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.
6. Certain trust account expenditures may not be made in the name of the California State University, Dominguez Foundation as they could create an obligation of the Foundation that may require approval by the Foundation Board of Directors. Such expenditures should be reviewed by Executive Director or his/her designee and if necessary taken to the Board of Directors.
7. Procurement of goods, services, and equipment for the day-to-day management and operation of the Foundation must be consistent with the line item amounts included in the annual budget approved by the Foundation Board of Directors and the University President.
8. No Foundation Director, Foundation employee, or California State University employee by virtue of their position, will violate the Foundation's Code of Conduct by personally deriving any benefit, gain or preferential treatment for the purchase of equipment, supplies or services. Sales to Directors, employees, or California State University employees shall be at no less than retail value, and shall not violate the Foundation's Code of Conduct.

9. Violation of this policy or the Foundation's Code of Conduct could cause an employee to be subject to disciplinary action, up to and including termination.

Execution of purchase orders and written agreements shall be consistent with the Foundation bylaws. Only the Executive Director or his/her designee are authorized signatories for written agreements on behalf of the Foundation.

The Executive Director or his/her designee is charged with the responsibility of implementing this policy on behalf of the Foundation.

REGULATIONS

1. Purchases less than \$5,000 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. Purchase orders are optional, but strongly encouraged. No bids are required.
2. Purchases from \$5000 and up to \$19,999 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. Purchase orders are strongly encouraged. To the extent practicable, account holders should obtain a minimum of three (3) verbal, bids based upon price, quality, performance and/or technical specifications, and vendor responsiveness. Such procedures are not applicable to merchandise purchased for resale. Expired quotes or bids are not valid.
3. Purchases in excess of \$20,000 must be approved by the Executive Director or his/her designee, in addition to the appropriate project manager, administrator, or designee, prior to purchase. To the extent practicable, account holders should obtain a minimum of three (3) written, competitive bids based upon price, quality, performance and/or technical specifications, and vendor responsiveness. Such procedures are not applicable to merchandise purchased for resale. Expired quotes or bids are not valid. A Purchase Order is strongly encouraged. If a vendor is providing pricing/quotes in accordance with a current State contract, no additional quotes will be required.
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.
Sole source purchases, equaling or exceeding \$20,000, on a non-competitive basis will require written justification and approval of the Executive Director or his/her designee.
Written justification must include:
 - Description of the unique performance factors of the products specified;
 - Rationale for why these factors are required;
 - Explanation of other products that have been evaluated and rejected, and the rationale for their rejection; and
 - 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

Technology Services to ensure alignment with campus IT standards.

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.
- d. The Foundation 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.

There may be times when competitive bids are not necessary, and the requirement for obtaining them is waived. For an exception to be valid, a clear justification for waiving the competitive bidding process must be submitted using the Purchase Justification form, or in writing, for approval.

Exceptions to the competitive bidding process are:

- The supplier is the sole source for that item. Examples:
 - Artwork
 - Unusual and not generally available used equipment
 - A specialized piece of scientific equipment
 - A specialized service (lobbyist, consultant) when the supplier has a one-of-a-kind ability to provide the required service due to demonstrably unique circumstances (knowledge, contacts, experience)
- There are documented compatibility requirements. The item will integrate with, or upgrade, existing equipment/software.
- In the case of an unforeseen emergency, where bidding would create a detrimental delay. Examples:
 - Human life, health, or University property are in immediate jeopardy
 - Equipment repairs are urgently needed, and a delay would lead to increased expenses.
- Subcontracts or consultants where the individual or institution is specifically named in the proposal or award.

Situations that would not justify an exception to the competitive bidding process are:

- A supplier is offering a discount. Federal guidelines require a competitive bidding process that demonstrates that due diligence was used in spending tax payer dollars.
- The Principal Investigator or Project Director did not allot sufficient time to collect bids.
- The convenience of a vendor - Convenience is not a determining factor under federal policy. An emergency situation must be present.
- A vendor, subcontractor or consultant has already begun work. – It is strictly forbidden under University or federal policy to begin work before an agreement is in place.