

Procurement Policy

1 PURPOSE

The purpose of this policy (“Policy”) is to set forth the manner in which the California State University, Dominguez Hills Foundation (“Foundation”) procures goods and services for internal, trust account, and sponsored programs activities. Policy establishes guidelines that meet or exceed the procurement requirements for purchases of goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects.

2 POLICY BACKGROUND

Application of Policy. This Policy applies to contracts for purchases, services, and construction or repair work. Refer to Section 5, Federal Funds Regulations, for procurement policies specific to federally funded grants and contracts.

Compliance with Federal Law. Foundation will follow all applicable local, state, and federal laws and regulations when conducting procurement activities.

Contractors’ Conflict of Interest. Designers, suppliers, and contractors that assist in the development or drafting of specifications, requirements, statements of work, invitation for bids or requests for proposals shall be excluded from competing for such requirements.

3 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 Sponsor’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. 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.

7. 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. 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.

Only the Executive Director or their designee are authorized signatories for written agreements on behalf of the Foundation.

4 NON-FEDERAL FUNDS REGULATIONS

Foundation accounts payable and procurement personnel must ensure that every purchase order or other contract, excluding federally funded projects, follows the following regulations and thresholds:

1. Purchases less than \$5,000 do not require a quote and 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 \$5,000 and up to \$20,000 may be approved by the appropriate project manager, administrator, or designee, in addition to the Foundation Accounting Manager or their designee. Such purchases shall be accomplished in a manner customary to the marketplace using sound business practices. Purchase orders are required, subject to the discretion of the Executive Director. 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. A Purchase Justification form must be filled out and submitted with the P.O. 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 appropriate project manager administrator or designee and the Foundation Accounting Manager 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.
4. Purchases in excess of \$50,000 require a formal written agreement to be executed prior to purchase, unless advance approval is given by the Executive Director or their designee. Such purchases are subject to the approval of the appropriate project manager, administrator, or designee, in addition to the Foundation Accounting Manager and the Executive Director or CFO or their designee.
5. Sole source purchases are subject to additional requirements as outlined below.

A table of purchase amounts is listed below for reference:

Non-Federal Funds Purchase Amounts

Amount	Written Agreement	First Approver	Second Approver	Additional Requirement
Less than \$5,000	Encouraged but not required	Project manager or designee	N/A	N/A
\$5,000 - \$20,000	Encouraged but not required	Project Manager	Accounting Manager	3 verbal bids recommended
\$20,001 - \$50,000	Encouraged but not required	Project Manager	Accounting Manager	3 written bids recommended
Over \$50,001	Required	Project Manager	Accounting Manager	Executive Director or CFO must also sign

When required, 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.
- Documentation as to why bids/proposals were not available from comparable vendor(s).

5 FEDERAL FUNDS REGULATIONS

All federally funded projects are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) codified at 2 C.F.R. § 200 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds.

All procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. § 200.318 through § 200.326 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. Should the Foundation have more stringent requirements, the most restrictive requirement shall apply so long as it is consistent with state and federal law.

Purchases from federally sponsored programs, grant or contract funds shall be executed and approved in accordance with Uniform Guidance, the sponsoring agency's procurement policies, and in accordance with this policy. The Foundation must:

1. Meet the general procurement standards in 2 CFR § 200.318, which include oversight of contractors' performance, maintaining written standards of conduct for employees involved in contracting, awarding contracts only to responsible contractors, and maintaining records to document history of procurements.

2. Conduct all procurement transactions in a manner providing full and open competition, in accordance with 2 CFR § 200.319.
3. Use the micro-purchase and small purchase methods only for procurements that meet the applicable criteria under 2 CFR § 200.320(a) and (b). Under the micro-purchase method, the aggregate dollar amount does not exceed \$10,000. Small purchase procedures are used for purchases that exceed the micro-purchase amount but do not exceed the simplified acquisition threshold of \$250,000. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable (2 CFR § 200.320(a)). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources (2 CFR § 200.320(b)), typically three vendors. Positive efforts shall be made to utilize small businesses and minority, women or disabled-owned businesses.
4. For acquisitions exceeding the simplified acquisition threshold, the non-Federal entity must use one of the following procurement methods: the sealed bid method if the acquisition meets the criteria in 2 CFR § 200.320(c); the competitive proposals method under the conditions specified in 2 CFR § 200.320(d); or the noncompetitive proposals method (i.e., solicit a proposal from only one source) but only when one or more of four circumstances are met, in accordance with 2 CFR § 200.320(f).
5. Perform a cost or price analysis in connection with every procurement action in excess of the simplified acquisition threshold, including contract modifications (2 CFR § 200.323(a)). The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used (2 CFR § 200.323(d)).
6. Abstain from contracting with parties or their principals that are suspended or debarred by any Federal department or agency.

A table of purchase amounts is listed below for reference:

Federal Funds Purchase Amounts

Type	Amount	Formal Bid	Additional Requirement
Micro	Up to \$10,000	N/A	N/A
Small	\$10,001 - \$250,000	N/A	Obtain quotes from at least three vendors
Sealed/ Competitive Bid	Over \$250,000	Required	Publicly solicited, awarded to responsible lowest bidder
Sole Source	Over \$5,000	N/A	Subject to OSRP approval

6 SOLE SOURCE PROCUREMENT

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)
- 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.
- For Non-Federal Funds Only: There are documented compatibility requirements. The item will integrate with, or upgrade, existing equipment/software.

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 taxpayer dollars.
- The Project Manager 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.