

California State University, Fresno Foundation

## **Procurement Policy**

Approved: March 23, 2006

## **I. Background and Purpose**

- A. The purpose of this policy statement is to provide management with policy and regulations governing Foundation purchases.
- B. The Foundation is committed to open and free competition, to the maximum extent practical and prudent, in the purchase of equipment, materials, supplies and services necessary for auxiliary support service activities provided by the Foundation.
- C. The Foundation is committed to providing cost effective services.
- D. The Foundation is bound by Federal and State laws and guidelines.

## **II. Policy and Regulations**

### **A. Policy Provisions**

- 1. Purchases shall be made in a cost-efficient manner which supports and facilitates competition while still meeting operational requirements such as 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. Recycled products shall be considered for procurement in place of non-recycled products whenever such products are available at no additional cost.
- 4. Sponsored program purchases must also adhere to the requirements set forth in the grant or contract agreement.
- 5. Purchases from funds held in trust by the Foundation shall conform to the policy and regulations governing the use of such funds.
- 6. Sole source purchases, exceeding \$10,000, on a noncompetitive basis will require written justification and approval of the Director of Foundation Financial Services, Chief Financial Officer, or their designee.
  - a. Unique performance factors of the products specified,
  - b. Why these factors are required, and
  - c. What other products have been evaluated and rejected, and why.

7. Special provisions for federally sponsored grants and contracts:
  - a. Positive efforts shall be made to utilize small businesses and minority, women or disabled owned businesses.
  - b. Purchases in excess of \$10,000 shall include the basis for contractor selection, justification for lack of competition when competitive bids are not obtained and the basis for the award.
  - c. Purchases in excess of \$10,000 shall include contractual provisions for contract or legal remedies for contractor breach of contract, termination by recipient and compliance with Equal Employment Opportunity orders.
  - d. Sole source purchases in excess of \$5,000 are subject to prior approval at the discretion of the Federal agency.
8. No Foundation member, employee, nor California State University employee by virtue of their position, will violate the Foundation's Code of Conduct by personally deriving any benefit, gain or receive preferential treatment for the purchase of equipment, supplies or services.
9. Sales to Board members, Foundation employees, California State University staff or faculty shall be at no less than retail value, and shall not violate the Foundation's Code of Conduct.
10. Employees failing to follow the purchasing policy or procedures may be subject to appropriate disciplinary action.

#### B. Regulations

Consistent with the policy provisions in Section A above, the following regulations apply to Foundation purchases:

1. Equipment, materials, services and supplies:
  - a. Purchases under \$5,000 - Such purchases shall be accomplished in a manner customary to the market place using sound business practices. Price quotations may be required if the Foundation determines the goods or services have been repetitively purchased from the same vendor.
  - b. Purchases from \$5,000 to \$20,000 – To the extent practicable, price quotes (or documentation as to the reason why quotes were not obtained) shall be obtained from three or more vendors, either in writing or by telephone. Documentation should include date, vendor name, contact person, phone

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number and shall be attached to the payment authorization or purchase requisition.

- c. Purchases greater than \$20,000 – To the extent practicable, these shall be based 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 as many responsible vendors as is practical.
2. Computer equipment (hardware and software)
    - a. The purchase of computer hardware and software for Foundation operations shall be compatible with program or project goals and objectives, be within the approved budget, and be reviewed by the Director of Management Information Systems for Auxiliary Services or the Foundation's Executive Director.
  3. Exceptions to bidding
    - a. Bidding is only required on purchases of more than \$20,000, if feasible.
  4. Authority to purchase
    - a. Approval by the Director of Foundation Financial Services or the Executive Director of Auxiliary Services is required in all circumstances in which the total amount of a purchase order and/or agreement exceeds available funding.
    - b. Purchases of \$5,000 or less may be approved by the appropriate project manager, administrator or their designee. Purchase orders are optional.
    - c. Purchases in excess of \$5,000 must be approved by the Executive Director, Director of Foundation Financial Services, Chief Financial Officer, or their designee. However, self approval by either of these three individuals for purchases within their respective division/department requires immediate supervisor approval. If a purchase equals or exceeds \$20,000, a written contract is required, unless prior approval is received in advance by any two of the three individuals contained in this section. If an expenditure equals or exceeds \$50,000, approval by the Executive Committee is required unless the expenditure has been previously approved as part of an annual budget (provided the expenditure has been documented as a separate distinguishable line item within the budget document).
    - d. Purchases from contract and grant funds shall be approved in accordance with the sponsoring agency's contract. Equipment purchases for an

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approved grant or contract shall be governed by conditions of the executed grant or contract.

- e. Open purchase orders may be used for routine repetitive purchases from the same vendor. Open purchase orders may not be used to purchase equipment or to circumvent other provisions contained in this policy.
- f. All expenditures from trust accounts require a purchase order which will encumber the funds prior to purchase.
- g. Execution of purchase orders and agreements shall be consistent with existing signature authority approved by the Board.

### **III. Implementation**

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

Last approved December 1996