

UNIVERSITY CORPORATION AT MONTEREY BAY BOARD POLICY

Policy 203

Procurement Policy

Section: 200- Financial

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1) PURPOSE

The Corporation uses a variety of methods to purchase goods and services. The purpose of this document is to establish the Procurement Policy for Corporation purchases. Corporation purchases include those made utilizing Corporation funds. The purchasing functions, policy, and procedures have been established using sound business practices with the key goal of service to the Corporation and its employees.

The Corporation is firmly committed to a program of “Best Value”. Best Value considers all transactions from many perspectives, including but not limited to best dollar value, outreach to vendors, promotion of fair and open competition, lifecycle, operational requirements, quality and matching of products and services to the Corporation’s needs. Travel and the retention of artists, entertainers, lecturers, and speakers for services are not subject to the provisions of this policy.

2) POLICY

1. General Requirements.

- a. Purchases are to be made in a cost-efficient manner that supports and facilitates the competitive bidding process and the lowest cost while still meeting operational requirements of the Corporation such as quality, specifications, service, and product availability, such that the lowest bid may not always be the bid that is selected.
- b. Purchases involving sponsored project funds shall be approved by the Corporation in accordance with the sponsoring agency’s contract, including the approved budget and any expenditure restrictions or allowances of the sponsoring agency. Purchases will require prior written authorization or approval of the funding sponsor if required by the agreement. For detailed information regarding this policy, refer to the Procurement Guidelines and Procedures Handbook located on the Corporation’s website.
- c. Purchases shall follow what is customary in the marketplace for a particular commodity or product and consummated in such a manner to constitute a reasonably prudent documented business transaction.
- d. 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.
- e. Volume or pool purchases, annual purchase agreements, and master service agreements shall be utilized when deemed advantageous to the Corporation.
- f. All purchases with Corporation funds must have a legitimate Corporation or University business purpose.
- g. Travel and travel related purchases are subject to the Travel Policy and the Travel Procedures Handbook located on the Corporation’s website.
- h. Hospitality expenses shall comply with all Corporation policies and procedures and the Hospitality Guidelines and Procedures.
- i. To protect from possible allegations of conflict of interest, purchases with Corporation funds should not be made from companies in which Corporation 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 Corporation Board member, Corporation employee, or CSU Monterey Bay 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 Corporation.

2. **Methods of Purchasing.** The Corporation uses a variety of methods for the purchase of goods and services, including the procurement card, personal reimbursement, direct pay via check requests, and purchase orders.
 - a. Procurement Card Purchases: The Corporation has determined that it is in its best economic and administrative interest to use a procurement credit card (“Procard”) for transactions.
 - b. Direct Payment/Check Requests: The Corporation may pay vendors directly for the purchase of supplies and services by completing the Check Request Form and submitting it to the Corporation Accounts Payable Department.
 - c. Purchase Orders (PO): Purchase orders are required for purchases of capital assets and for many purchases using sponsored projects funds that total less than \$5,000.
 - d. Purchases of Capital Assets: A capital asset is defined as a tangible piece of property such as computer equipment, machinery and vehicles, with an acquisition cost greater than \$5,000, including tax, and a useful life of one year or greater. Capital assets will be capitalized and depreciated over the economic life of the asset.
 - e. Personal Reimbursement: Corporation employees may be reimbursed for Corporation business-related purchases by using the Check Request form and submitting it to the Corporation Accounts Payable Department.

3. **General.**
 - a. Information Technology (IT): University IT provides Corporation’s IT support. University IT must approve all IT-related products prior to purchase or lease. This applies to all hardware, software, applications, copiers, and other non-computing devices regardless of the dollar amount. University IT will not support IT-related products that have not been reviewed and approved prior to purchase.
 - b. Contracts/Agreements/Leases: All contracts between the Corporation and another entity or individual are to be prepared and executed in written form. The Corporation Executive Director or designee is the signatory for any Corporation contract. The Corporation will not accept as legally binding any oral agreement that is not finalized and executed in written form. Additionally, if involving sponsored project funds contracts must be reviewed and/or authorized by the Sponsored Programs Office and Grants Accounting.
 - A. Authorizations: All requests to purchase and pay must be signed by a signer who is authorized for the account to be charged.

4. **Purchasing Requirements by Cost.**
 - a. Thresholds: The dollar thresholds listed hereunder are considered in the aggregate; purchases cannot be split to circumvent these policies and procedures. Refer to the Payment Method Matrix within the Corporation’s Procurement Guidelines and Procedures on the Corporation’s website to determine when a PO is required. In most cases, purchases using Federal funds must meet the minimum requirements as set forth by Uniform Guidance unless already approved when funding was awarded and detailed

in the accepted request of funding proposal.

- i. Purchases up to \$10,000: Such purchases shall be accomplished in a manner customary to the marketplace using sound business practices.
 - ii. Purchases of \$10,001 to \$50,000: The requester must submit in writing a minimum of two (2) quotes. If two quotes are not obtained, a written explanation why the minimum was not met must accompany the quote.
 - iii. Purchases of \$50,001 to \$ 100,000: The requester must submit a minimum of three (3) price quotes based on the same written specifications. If three written quotations are not obtained, a written explanation why the minimum was not met must accompany the quote(s).
 - iv. Purchases greater than \$100,000: The requester must submit a minimum of three (3) formal bids from providers based on written specifications from a solicitation or request for proposals or quotes. If three formal bids are not obtained, a written explanation why the minimum was not met must accompany the bid(s).
- b. Sole Source: Sole source purchases on a non-competitive basis regardless of the cost threshold must meet sole source requirements and will require written justification by the authorized signer and approval by the Executive Director or designee.

5. Insurance Requirements.

Corporation has specific insurance requirements for services, projects and in some cases, goods. Vendors providing services on campus may be required to provide proof of insurance and a services contract prior to purchase order issuance and/or commencing work. Equipment that is borrowed, loaned, rented, leased, or purchased through Corporation will be scheduled to insure for losses due to damage or theft; the requester or department should notify the Corporation prior to receipt of equipment to insure coverage.

6. Preferences.

Whenever feasible, purchases should be made from small businesses and local vendors to help support the local economy, which has been a goal of CSU Monterey Bay since its inception. The Corporation also encourages purchases from minority-owned business enterprises, women-owned business enterprises, and disabled veterans. The Corporation encourages purchases with energy efficiency, sustainability, and the utilization of earth-minded, renewable (aka “green”) products and services.

7. Enforcement.

Individuals not following this Procurement Policy may be subject to personal liability, notification to their supervisors, disciplinary action, financial obligation, and revocation of purchasing privileges.

3) RELATED DOCUMENTS

- a) Procurement Guidelines and Procedures
- b) Procurement Card Manual
- c) Hospitality Guidelines and Procedures
- d) Fund Request/Update Signature Authorization
- e) Travel Procedures Handbook
- f) 2 CFR § 200.318-326 - General procurement standards
- g) CSU-ICSUAM Policy 11003.12 - Federally Funded Procurement