



University Corporation at  
Monterey Bay

# Procurement Guidelines and Procedures

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## Procurement Guidelines and Procedures Handbook

### **I. Introduction**

The University Corporation of California State University Monterey Bay ("University Corporation") uses a variety of methods to purchase goods and services. The purpose of this document is to establish the procurement guidelines and procedures for University Corporation purchases ("Handbook"). University Corporation purchases include those made utilizing University Corporation funds. The purchasing functions, policy, and procedures have been established using sound business practices with the key goal of service to the University Corporation.

The University Corporation is firmly committed to a program of "Best Value". Best Value considers all transactions from many perspectives, which include: quality, outreach to vendors, promotion of fair and open competition, lifecycle operational requirements, and matching of products and services to the University Corporation's needs.

This Handbook shall be followed by anyone using University Corporation funds to support University Corporation activities, except please note that sponsored projects relating to grants and contracts ("Sponsored Projects"), while subject to the 321-001 Procurement Policy, may be subject to additional restrictions of the funding agency. "Sponsored Project Funds" are funds that the University Corporation may receive through gifts, grants, external funds, and third party contracts, and it is important that these funds be spent in accordance with the gift conditions, grant requirements, or contract terms. Note that not all "gifts" are Sponsored Projects and as such may have their own terms. If you are unsure if a gift is a Sponsored Project, please refer to the University Corporation's Grants Accounting for further determination.

### **II. Prohibited Purchases**

All purchases with University Corporation funds must have a legitimate business purpose.

#### **A. Conflict of Interest**

In order to protect from possible allegations of conflict of interest, purchases with University Corporation funds should not be made from companies in which University Corporation staff or family members have an economic interest. Such purchases may have the appearance of wrongdoing and should therefore be avoided.

Employees with conflicts of interest must disqualify themselves from making or participating in a decision which would have a material effect on a personal financial interest.

#### **B. Community Relations**

Other prohibited purchases are identified in the University Corporation's Community Relations Policy, which is located at the University Corporation's website.

### C. Sponsored Project Funds Within Ninety (90) Days

In general, purchases made from Sponsored Project Funds are required to be utilized within the funding period. If making purchases for tangible goods, such as IT and/or equipment, within ninety (90) days prior to the end date of a grant or contract, the purchaser shall submit a signed Justification Statement to Grants Accounting on a post-purchase basis.

### D. Personal Liability

Individuals are personally liable for prohibited purchases. University Corporation property, including IT property, is to be coded as University Corporation property. Any property delivered to an employee's home address rather than to the University Corporation is presumed for personal, not University Corporation, use, and an employee's personal liability follows accordingly.

## III. **Authority**

Signature authority must be obtained for all purchases prior to any transaction. Only individuals with signature authority can utilize University Corporation funds or bind University Corporation to a contract; signature authority for a project involving Sponsored Project Funds does not confer signature authority to enter into a contract or agreement. Any University Corporation employee, including faculty or staff, entering into a purchase of goods or services without proper authority is unnecessarily exposing the University Corporation to risk and assumes the risk of being held personally responsible for all charges.

Generally, the University Corporation Executive Director or Associate Executive Director is the authorized signatory for all University Corporation contracts, including but not limited to leases and construction contracts, but note that any purchase utilizing Sponsored Project Funds must follow the normal allowability process and receive approval from the Corporation Grants Accounting and/or Director of the Sponsored Programs Office.

For questions concerning the appropriate signatory, please refer to the University Corporation's 713-001: Signature Authorization Procedure on the Corporation's website.

## IV. **How to Purchase**

The University 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. The dollar thresholds listed hereunder are considered in the aggregate; purchases cannot be split to circumvent these policies and procedures.

### A. Procurement Card Purchases

The University Corporation has determined that it is in its best economic and administrative interest for University Corporation employees to use the procurement credit card issued by US Bank (hereafter "Procurement Card") for transactions, so long as such purchases are not restricted or prohibited from being obtained via the Procurement Card. Please note that travel-related purchases are not allowed on the University Corporation procurement card unless a "Procurement Card Travel Needs Statement" has been submitted and approved by the Corporation Executive Director

or Associate Executive Director. Please refer to the Corporation Procurement Card Manual on the Corporation's website for more detailed information.

**B. Direct Payment/Check Requests**

The University Corporation may pay vendors directly by completing a Check Request form ("Check Request") and submitting it to the University Corporation Accounts Payable Department. A Check Request is appropriate to pay bills related to an underlying purchase order or contract, services, independent contractors, deposits, donations, and contributions. Check Requests pertaining to contracts remain subject to the Contracts procedures and respecting authority. Please note that when utilizing a Check Request to pay an invoice, the invoice and a completed University Corporation Vendor Data Record (VDR) form must be attached to the Check Request unless the VDR is already on file. VDRs must be obtained from any individual or any entity that is not a governmental entity or public school district. You may check the status of a vendor through the CFS System or contact the University Corporation Account Clerk at (831) 582-4444 or [ucorp\\_accounts\\_payable@csumb.edu](mailto:ucorp_accounts_payable@csumb.edu).

**C. Purchase Orders**

Purchase orders are required for purchases of capital assets and for many purchases using sponsored projects funds that total less than \$5,000. Purchase Requisitions may be submitted to Procurement via email and inter-campus mail.

- a. **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.
- b. It is recommended that each department have a designated person to enter Purchase Requisitions and keep an accounting of such. The individual designated and trained to enter Purchase Requisitions will create the Purchase Requisition via the CFS system, print the Purchase Requisition, obtain all necessary approval signatures, retain a copy, and submit to the University Corporation's Procurement and Risk Management Analyst, who subsequently issues the Purchase Order. If the purchase involves Sponsored Project Funds and the underlying grant or contract provided for the purchase, such terms may govern in lieu of these provisions. As such, any Purchase Requisition using Sponsored Project Funds must have the Corporation Grants Accounting approval signature before the issuance of the Purchase Order. Once the Purchase Order is issued, the Procurement and Risk Management Analyst will email a copy of the Purchase Order to the requester listed on the Purchase Requisition in the top right corner. Before payment can be made from University Corporation funds, a completed University Corporation Vendor Data Record form must be obtained from the vendor or already on file in University Corporation Accounting.
- c. Regardless of the dollar amount, any IT or large furniture purchases must be submitted via Purchase Order to facilitate accurate record keeping related to the acquisition, maintenance, control, and disposition of University Corporation property.

D. Personal Reimbursement

University Corporation employees may make University Corporation business-related purchases by utilizing the Personal Reimbursement.

**V. General**

- A. Information Technology (IT): University IT provides University 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.

Computer hardware, desktops, laptops, software and software licensing, memory, personal digital assistants (PDAs), screens, monitors, and anything that will be connected to CSUMB's network are all information technology (hereafter "IT"). IT purchases involving Sponsored Project Funds are subject to this requirement. The IT Department may approve the purchase of IT it already has available when the IT Department will not be supporting the IT due to its complexity, unfamiliarity, or the off-site use nature of the IT.

Emergency exceptions to this IT procurement procedure are allowed so long as the IT Department is contacted and provides written approval (email is acceptable) authorizing the purchase without its input for the emergency, unanticipated purchase of IT. The best method of contacting the IT Department respecting IT purchase exceptions is to email the Director of Technology Support Services (TSS). Approval from TSS must be documented, routed, and attached with your purchasing paperwork such as your Purchase Requisition, procurement card reconciliation, etc. In the event that the Director of TSS is unavailable please contact the TSS Budget Analyst or the Office of the Chief Information Officer who will direct you to the appropriate approver.

- B. Contracts/Agreements/Leases: All contracts between University Corporation and another entity or individual are to be prepared and executed in written form. The Corporation Executive Director or Associate Executive Director is the appropriate signatory for any University Corporation contract. The University Corporation will not accept as legally binding any oral agreement that is not finalized and executed in written form. Programs operated under the University Corporation are without authority to bind the University Corporation. Additionally, if involving Sponsored Project Funds, it must first be authorized by the Sponsored Programs Office.
- C. The Sponsored Programs Office has the sole discretion to determine that subcontracts relating to Sponsored Project Funds need not be executed but that oral contracts and back-up documentation suffice.
- D. The Sponsored Programs Office is responsible for the preparation, approval, and administration of all contracts, including, but not limited to, leases, rentals (of space including office space, boat slips, etc.; note that rental contracts for vehicles and other modes of transportation and equipment are addressed separately herein in Section V) service contracts, construction contracts, and all ancillary contracts such

as utility, phone, alarm, and infrastructure-related contracts, on behalf of the University Corporation and its departments when Sponsored Project Funds are being utilized. The Sponsored Programs Office shall coordinate the review and development of such contracts with the University Corporation Procurement and Risk Management Analyst, as appropriate. All contracts or agreements which financially or otherwise obligate or require a signature on behalf of the University Corporation or one of its divisions, departments, programs, or any other unit, must first be processed through the Sponsored Programs Office if involving Sponsored Project Funds.

E. Copier Lease/Purchase Program:

Departments/Institutes/Projects/Programs/Employees desiring information on copiers for lease or purchase are to contact IT.

IT will perform a site survey, checking power supply and networking capacity, to make sure the site can support a copier. After that is done, IT will work with you to determine the right model to meet your needs and provide you with special contract pricing for the copier and maintenance. New copiers are available through Monterey Bay Systems.

To start the process, please submit a service ticket on the IT website.

F. Authorizations: All requests to purchase and pay must be signed by a signer who is authorized for the account to be charged.

## VI. **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 to determine when a Purchase Order 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 from \$10,001 to \$50,000: Purchase Requisitions for commodities and services from \$10,001 to \$50,000 (exclusive of tax) must be submitted with a minimum of two (2) informal written price quotes.
- iii. Purchases Over \$50,001 to \$100,000: The requester is required to submit a minimum of three (3) written price quotes. If three written quotations are not obtained, a written explanation of the circumstances must accompany the quote(s).

If the requesting party would like assistance in obtaining Price Quotes, please contact the University Corporation Procurement and Risk Management Analyst (x3100) and allow a reasonable amount of time to obtain the quotes.

- 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 (“RFP”) or quotes. If three formal bids are not obtained, a written explanation must accompany the bid(s).

**VII. Request for Information**: The purpose of a Request for Information (“RFI”) is to solicit information from firms interested in providing a specific service and/or commodity. An RFI is a mechanism for gathering information and may or may not result in a purchase. The RFI may be used in lieu of the RFP (Request for Proposal) provided that three proposals are obtained and that all vendors providing information are given the same specifications and information.

**VIII. Bid Package for RFP/RFI**

A. Bid Package: The bid package must include the following elements:

- 1. A clear, concise description of the material, equipment, service being purchased, to insure a minimum amount of interpretation by the bidder.
- 2. Clearly defined delivery terms and conditions.
- 3. The method or formula for determining the “best value” meeting specifications.
- 4. A reasonable amount of time for bidders to prepare and submit their bid response prior to the bid due date.
- 5. The closing date and exact time and location of opening of sealed bids.
- 6. Notification that bids received after the closing date and time will not be considered and will be returned unopened.

B. Bid Evaluation

Bids will be evaluated by an RFP Committee to determine the most qualified Price Quote meeting minimum specifications. The following factors will be considered:

- 1. Quoted price less any acceptable discounts.
- 2. Compliance with specifications, make, model, performance.
- 3. Compliance with delivery requirements.
- 4. Terms and conditions.
- 5. Variance of standard.

The RFP Committee will then choose the highest scoring candidates, conduct interviews, and review pertinent documentation prior to making a decision on who is the best fit.

The University Corporation Executive Director or Associate Executive Director must approve exceptions to this bid procedure (regarding purchases over \$50,000) in advance.



## **VII. Rentals of Transportation and Other Equipment**

Note that the rental of transportation and other equipment is a unique situation where University Corporation's insurance may not apply and where additional risk issues are present. Questions that should be considered in determining what risks and subsequent losses could arise should include, among others, the following:

1. What activities will take place;
2. Who could be harmed;
3. What property could be damaged and how severely;
4. What is the maximum likely loss for each activity;
5. Are bystanders likely to be included;
6. How likely is it that University Corporation or CSUMB could be a defendant in the event of a loss;

The University Corporation's Procurement and Risk Management Analyst can assist with details. The policies and procedures concerning these rentals are for the protection of University Corporation and CSUMB, the requesting party, the individuals being served, and the programs at large.

### **A. Category 1: Rentals for Standard Transportation - Use by Employees Only**

This category encompasses the typical rental vehicle situation where a University Corporation employee rents a standard passenger car, truck, or sport utility vehicle from a well-known commercial establishment involved in the exclusive business of renting vehicles such as Enterprise, Avis, Hertz, and Dollar to transport his or herself and possibly, other employees and volunteers, on University Corporation business. The University Corporation employee initiating the rental should obtain a liability waiver and hold harmless agreement for each volunteer and/or non-employee. Such forms are located on the University Corporation website. University Corporation's insurance does apply and details concerning such insurance and rental are outlined in the University Corporation Travel Handbook. University Corporation Employees are authorized to sign these standard rental contracts on their own provided that they meet the driving requirements contained in the University Corporation Travel Handbook and University Corporation's Procard is one option, if travel access is approved, of payment for the rental of such standard transportation.

### **B. Category 2: Rentals of Equipment - Use by Employees Only**

This category encompasses the rental situation where a University Corporation employee rents equipment such as snowmobiles, boats, forklifts, and heavy moving equipment from a well-known commercial establishment involved in the exclusive business of renting such for the use by the University Corporation employee and possibly, other University Corporation employees and volunteers, on University Corporation business. The University Corporation employee initiating the rental should obtain a liability waiver and hold harmless agreement for each volunteer and/or non-employee using or being

transported via such equipment. Such forms are located [on](#) the University Corporation website. University Corporation's insurance likely does not apply and the employee is responsible for obtaining insurance, through the commercial establishment itself or by contacting the University Corporation Procurement and Risk Management Analyst to purchase a side policy. University Corporation employees are authorized to sign these standard rental contracts personally, on their own, or may request execution by the University Corporation Executive Director or Associate Executive Director and payment may be appropriate via the Procurement Card, Check Request, or Purchase Order, depending on the nature and cost of the rental.

C. Category 3: All Others, Including Rentals for Transportation of Others – Use by Employees and Participants

This is a catchall category, capturing any rentals not included in Category 1 or 2 above, and encompassing the situation where a University Corporation employee is renting a vehicle, boat, or other mode of transportation to transport groups of employees, volunteers, students, and non-employees or participants. Examples include: (1) a bus rental to transport high school students as part of an outreach program, (2) a bus rental to transport homecoming festival attendees, and (3) a boat rental to transport middle school students for outreach and sea exploration activities. If renting from a well-known, commercial establishment involved in the exclusive business of renting transportation for this purpose, such as Discovery Charters, the standard contract is generally acceptable by University Corporation but is subject to the review and requires the signature of the University Corporation Executive Director or Associate Executive Director. Renting from non-commercial establishments not involved in the exclusive business of renting transportation for this purpose, such as Presidio and a local school district conducting side business by renting busses and drivers, may be acceptable but an adequate contract is needed and is subject to the review and approval of the University Corporation. In any event, adequate proof of insurance must also be provided because University Corporation's insurance does not apply to these types of rentals.

Check Request Forms or Purchase Orders are appropriate for such rentals but requesting parties should accompany submissions of such with (1) a contract outlining rights and responsibilities of the parties, including without limitation, insurance coverage and indemnification, to be considered by University Corporation and executed by the University Corporation Executive Director or Associate Executive Director, and (2) a certificate of insurance naming University Corporation and CSUMB as additional insureds, if possible. All such paperwork must be submitted to the University Corporation Procurement and Risk Management Analyst a minimum of ten (10) business days in advance of the rental date. In addition, the University Corporation employee initiating the rental should obtain a liability waiver and hold harmless agreement for each volunteer, participant, and/or non-employee in advance of the rental. Such forms are located [on](#) the University Corporation website.

## **VIII. Preferences**

University Corporation requests that purchases be made from small business and local vendors whenever feasible to help support the local economy, a goal of CSUMB at its inception. University Corporation also encourages that purchases be made from minority-owned business enterprises and women-owned business enterprises. University Corporation also encourages that purchases be made with energy efficiency,

sustainability, and the utilization of earth-minded, renewable (aka “green”) products and services.

#### **IX. Sole Source/Sole-Brand Exceptions**

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 University Corporation Executive Director or Associate Executive Director.

Requests that limit the bidding to one source and/or brand or trade name must either (a) be a source and/or brand or trade name clearly identified in a Sponsored Project Funds proposal, grant, or third party contract, in existence and executed at the time of the request to purchase, or (b) a signed, sufficient Justification Statement form, approved by the University Corporation Executive Director or Associate Executive Director, detailing why the product specified is necessary for the successful accomplishment of the requesting department’s functions. The justification should include the following:

1. The unique performance factors of the product specified.
2. Why these factors are required.
3. What other products have been evaluated, and why they were rejected.

Turnaround time for the University Corporation Executive Director’s or Associate Executive Director’s approval generally will not exceed 48 hours. A copy of the approved justification for a sole source/sole brand purchase shall be filed by University Corporation or Sponsored Programs Office, as appropriate, with the Purchase Order or contract for audit purposes.

#### **X. Enforcement**

Individuals not following these Procurement Guidelines and Procedures are subject to personal liability as noted in hereof, notification to their supervisors and revocation of purchasing privileges.

Exhibit A

**Payment Method Matrix**

<b>Procard*</b> (Acceptable Procard Purchases)	<b>Use a Purchase Order "PO" **</b> (Purchase Requisition required to issue a PO)	<b>Use Direct Payment**</b> (Check Request Form)
Advertisements	Anything requiring a blanket order	Attorney Fees
Books and Publications	Capital Assets	Consultant Expenses (Travel Only)
Catering	Construction Projects	Event Fees (Awards and Promotional)
Conference and Seminar Registration Fees	Contractual Monthly Service Repairs	Honorariums (Honorarium Agreement Required)
Expendable items such as paper and toners	Electronic/Computer/Sensitive equipment	Postmaster fees for mail services
Membership/Subscription Fees (no automatic renewals)	Goods received by the Receiving Department	Repairs
Printing	Long-term consulting or independent contracting services	Scholarships/Stipends
Office supplies	Monthly Maintenance Agreements (i.e., copiers and printers)	Speaker Fees
Rentals (except for facility use)	Projects using multiple vendors	Taxes
Replacement Parts	Sponsored Project funded service agreements	Utilities
		Facility Use Agreement

If your situation is not listed in this matrix contact Auxiliary Procurement at x3100.

Sponsored project funds may require PO's regardless of this matrix.

**\*Procard**

*Catering-if you do not have a Procard to pay for catering services use the direct payment method. Use the Travel Policy and Travel Handbook for procard purchases that are travel related.*

**\*\*Purchase Orders**

*A capital asset is defined as a tangible piece of property with an acquisition cost greater than \$5,000 and a useful life of*