



Procedure Number: AC007

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Rick Evans, Executive Director

## **PURCHASING POLICY**

This policy applies to the purchase of materials, equipment, supplies, and services paid from The University Corporation (TUC) administered funding sources to non-CSUN vendors. All project purchases must follow TUC purchasing policy. These purchasing procedures meet project purchasing needs, which satisfy the requirements of federal, state, and independent auditors. Purchases not covered by this policy include investment management services, legal services, travel and the retention of artists, entertainers, lecturers, caterers, and speakers. Purchases of real estate are not subject to this Purchasing Policy. The University Corporation Real Estate Fund governs purchases of real estate.

## **PURCHASING POLICY, REGULATIONS AND GUIDELINES**

All purchases must be within the approved budget and signed by the appropriate TUC approving authority prior to order commitment. A Purchase Order Request form must be submitted to TUC prior to making purchases within the guidelines of this policy.

Determining the best value to ensure high-quality products and services at the best possible price can vary for each purchase. There is no specific formula or methodology for conducting a best value determination, but it is important that the award is consistent with the terms of the solicitation when a solicitation is required; and complies with regulatory requirements when applicable. In addition to price analysis, costs and benefits should be considered for each purchase. Costs that can factor into a best value calculation include the purchase price, delivery charges, staff time associated with the purchase, storage, maintenance, insurance, operational costs, disposal fees, and provider risk. Some benefits to consider include: delivery or implementation reliability and time frames, added services at no additional cost, non-toxic ingredients, market-leading product which is likely to be maintainable and upgradeable for a longer time, or a supplier with a track record of price stability and product availability.

## **Policy Provisions**

1. Purchases shall be made in a manner that supports and facilitates the competitive bidding process and provides the best value cost consistent with 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, documented business transaction.
3. Fitness and quality being equal, recycled products shall be considered for procurement

whenever such products are available at no more than the total cost of their non-recycled counterparts.

4. Sponsored Programs purchases must also comply with the requirements set forth in the grant or contract agreement. Purchases shall have prior written authorization or approval from the funding sponsor, if required by the agreement.
5. Volume or pooled purchases, annual purchase agreements and State-purchasing contracts shall be utilized when deemed to be advantageous and provide the best value to TUC.
6. No Corporation Board member, Corporation employee, or CSU employee by virtue of their position, will personally derive any benefit or gain, or receive preferential treatment from the purchase of materials, equipment, supplies or services.
7. Authorized account signers failing to follow TUC purchasing policy and procedures may incur personal liability or financial obligation with the vendor and may be subject to disciplinary action.
8. Purchases must comply with the AC029 Hospitality Policy.

### Purchasing Methods and Thresholds

For the purposes of this purchasing policy, the total cost on a purchase order includes tax and freight. The following thresholds must align with the intent of this Policy to secure the best value at the best price while managing risk and complying with TUC and applicable CSU and State policies, statutes, laws, and procedures.

Small Business or disabled veteran business enterprise (DVBE) option: A contract for goods, services, or information technology with value less than \$250,000 can be awarded to a certified small business or disabled veteran business enterprise.

### Guidelines and Thresholds

Threshold	Procurement for:	Goods/Services	IT Resources Goods/Services
Micro- Purchase	<=\$10,000	Competition not required; informal solicitation quotes are recommended	
Small Purchase (under Simplified Acquisition Threshold)*	\$10,001-\$49,999	Small Business/Disabled Veteran Business Enterprise Option <b>OR</b> Two (2) or more informal quotes	
	\$50,000-\$100,000	Small Business/Disabled Veteran Business Enterprise Option <b>OR</b> Three (3) or more informal quotes	Small Business/Disabled Veteran Business Enterprise Option  <b>OR</b> Three (3) informal quotes
	\$100,001-\$250,000	Small Business/Disabled Veteran Business Enterprise Option <b>OR</b> Formal Solicitation	
>SA Threshold*	>\$250,000	Formal Solicitation	

*\*Sole Source Purchases Greater than \$10,000 will require written justification and approval.*

When a Purchase Order is required, an authorized signer must submit the Purchase Order request with the required quotes attached.

For Goods/Services Purchases:

**1. Micro-Purchases Up to \$10,000**

Although TUC does not require a purchase order, TUC can prepare a purchase order when a vendor requires it, based on the purchase order request and price quotation obtained from the vendor.

**2. Small Purchases**

Price or rate quotes may include, but are not limited to advertisements, emails, internet pricing, letters, phone calls, in person, etc.

**3. >\$250,000 Exceeds the Simplified Acquisition Threshold (SAT)**

Formal procurement methods require documented procedures and can include Request for Proposal(RFP), Request for Qualification (RFQ) or Invitation for Bid (IFB) and non-competitive procurement for Grants and awards (see code of Federal Regulations: [Methods of Procurement](#) ). Written specifications and a solicitation award process which recognizes competitive price and best value, responsiveness to specifications and reputation of vendors is required. Responses should be sought from as many responsible vendors as is practical. Any solicitation that has received less than three bids or proposals shall document the firms or individuals it solicited for bids or proposals.

A purchase order and fully executed contract is required.

**4. Sole Source Purchases/Justification**

*Sole Source Purchases on a non-competitive basis will require written justification and approval for purchase orders greater than \$10,000.* Additionally, requisitions that limit the bidding to one source and/or brand or trade name must include a written justification signed prior to the execution of the purchase order, approved by the Corporation Executive Director or his/her designee, explaining why the product specified is necessary for the successful completion of the requesting department's functions. The sole source written justification should include the following:

- Description of the unique requirements and/or performance factors of the product
- Why these unique factors are required
- What other products have been evaluated, rejected, and why
- Special circumstances requiring immediate action

A copy of the justification should be filed with the purchase order or contract for audit purposes.

## **PURCHASING POLICY, REGULATIONS AND GUIDELINES (continued)**

### **A. Vendor/Contractor Eligibility**

Vendors/contractors or their principals must be eligible to participate in federal awards via the federal System for Award Management (SAM). The vendor/contractor organization and its principals are ineligible if they are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the transaction by any federal department or agency.

### **B. Exceptions**

**Low Bid Exceptions.** TUC is not required to award the vendor with the lowest quote/bid. TUC can select on criteria determined to be in the best interest and provides the best value of the project. If other than the lowest bid is selected, a justification must be attached to the Purchase Order Request.

#### **Exceptions to Bidding Requirements**

- *Foodstuffs and seasonal commodities.* The purchase of foodstuffs and seasonal commodities shall be made upon the basis of quotations from several reliable and convenient sources of supply. Awards shall be made on terms most advantageous to TUC based on quality, brand, price, service, and delivery.
- *Bookstore supplies and textbooks.* The purchase of textbooks, certain technical material and resale merchandise shall be made upon the basis of several reliable and convenient sources of supply. Awards shall be made on terms most advantageous to TUC based on quality, price, service, and delivery.
- *Retention of service contractors on an hourly time and material basis.*

#### **Exceptions regarding Formal Solicitation for Purchases**

**The Following purchases are exempt from the purchasing guidelines and thresholds detail above:**

- Emergencies where a contract is necessary for the immediate preservation of public health, welfare, or safety, or protection of state property.
- Contracts with another state or federal agency, a local governmental entity, the University of California, a California community college, or an auxiliary organization of the CSU.
- Master Purchase Agreements
- Sole Source and Sole Brand Purchases

### **C. Blanket, Volume and Annual Purchase Agreements**

Blanket/volume/annual purchase agreements that will result in an advantage to TUC will be utilized whenever possible. TUC will utilize State or Purchasing contracts whenever possible to the TUC's advantage.

### **D. Purchases from Sponsored Programs and Externally Funded Grants or Contracts**

Purchases made from Sponsored Programs and externally funded grant, or contract funds may be made only during the term of the grant or contract or during an approved extension or renewal. The authorized signer should anticipate purchase requirements far enough in advance so that the purchasing process can be completed, the service rendered, and the invoice received prior to expiration of the award. Purchase orders are generally issued within two to three working days. Purchases made for Sponsored Programs will comply with all related Uniform Guidance and Office of Management & Budget (OMB) Circulars.

#### **E. Capitalization**

A capital purchase is defined as a tangible piece of property with an acquisition cost greater than \$5,000 and useful life of one year or greater. Capital purchases with a cost greater than \$5,000 on TUC's general operating funds and a normal useful life of at least one year will be capitalized and depreciated over the economic life of the asset. This applies to non-sponsored programs since sponsored program assets are not capitalized and depreciated as they are charged fully at the time of the purchase.

#### **F. Sustainability/Single Use Plastics**

Purchase preference shall be given to reusable products, followed by locally compostable and/or recyclable products. Purchases of plastic water bottles, plastic straws, plastic bags, polystyrene (e.g., STYROFOAM) should be eliminated to the maximum extent economically feasible. In an effort to comply with the [CSU Single Use Plastics Policy](#) and CSUN's goal to eliminate single-use plastic bottles by January 1, 2023, the purchase of single use water bottles shall be replaced with the purchase of alternate aluminum cans or reusable alternatives.

#### **G. Procurement of Hazardous Materials**

Procurement of Hazardous Materials will follow Campus policy: all chemicals intended for laboratory use must be purchased in accordance with the campus Chemical Hygiene Program and entered in the campus Chemical Inventory. This includes research and teaching labs. Subject to the hazardous materials requirements, only a Purchase Order should be used for these purchases. See the P-Card Program Manual regarding restricted purchases. See CSUN's Hazardous Material Procurement regarding exceptions.

See [CSU Contracts and Procurement Policy](#)  
[California Code of Regulations, Title 8, Section 5191. Occupational Exposure to Hazardous Chemicals in Laboratories regulation](#)  
[CSUN Hazardous Material Procurement](#)

#### **H. Gene Synthesis Equipment or Gene Synthesis Products**

Any purchase of Gene Synthesis products or equipment would need to follow Campus Policy, proper procedures, as well as all applicable laws and policies regarding biosafety. Any purchase shall only be authorized after the approval is in place including submitting a Biological Use Authorization if applicable, if they are working with certain kinds of biological agents, such as recombinant DNA, synthetic nucleic acids, and pathogens. Prior to purchasing gene synthesis equipment or gene synthesis products, check the Smartsheet dashboard and tool for compliance with AB1963 or for requesting attestation forms:

[Gene Synthesis Smartsheet](#)

*Campuses Institutional Biosafety Committees (/BC) are responsible for enforcing policies and guidelines related to university-related use of all potentially hazardous biological agents, including but not limited to infectious agents, human and non-human primate materials (including established cell lines), CDC select agents, recombinant DNA and studies involving human gene transfer. The Committee ensures that research involving these agents is conducted in a manner that does not endanger the researcher, laboratory worker, human research subjects, the public or the environment.*

#### **I. Purchasing Card (P-CARD)**

The Purchasing Card (P-Card) is a tool designed to complement TUC's purchasing and payables process and is used to make purchases for goods required to conduct TUC's official business. The card allows users to obtain certain items faster and easier. Issuance of a P-Card is a privilege, and every reasonable effort must be made to ensure that funds are used responsibly and, in a manner consistent with TUC's and the University's mission, applicable laws, and ethical practices.

Purchasing Card/P-Card holders will need to follow the processes, guidelines, prohibited purchases, and restricted purchases as outlined in the Purchasing Policy and P-Card Program Manual: [P-Card Guidelines](#) Issued through [US Bank](#)

The card is allowed for TUC general fund, commercial operations, Agency funds, faculty award funds, grants and contracts and sponsored programs. The card CANNOT be used for personal expenditures, campus related purchases, or to circumvent purchasing and procurement policy. NO PURCHASES OF A PERSONAL NATURE MAY BE MADE USING THE P-CARD. Any such purchases must be immediately reimbursed to TUC by the Cardholder and may result in the revocation of card privileges.

The cardholder will be responsible for maintaining documentation on every purchase made using the card as well as approving/coding/reconciling and forwarding this information to TUC. Purchases must be made in accordance with established TUC policies for expenses associated with official business that directly benefit TUC and the University.

#### **J. Gift Cards**

*See Gift Card Purchasing Guidelines*

#### **K. Title IX - Education Amendment of 1972**

Under Title IX, sexual discrimination may not lawfully exist in policies, procedures, or activities of the Corporation. TUC subscribes to the Title IX policy and in recognition of this commitment assumes the following responsibility: Every Corporation official doing business with an off-campus vendor, organization, agency, contractor, or person will, when practical, inform the vendor that as a condition of doing business with the Corporation, the vendor cannot subscribe to sexual discrimination in any manner.

#### References:

[TUC Policies and Procedures](#)

[Conflict of Interest](#)

[Asset Management](#)

[Forms & Guides](#)

[CSU Contracts and Procurement](#)

[Methods of Procurement](#)

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