

# Research Foundation Purchasing Policy



## Introduction

All project purchases must be in compliance with the Foundation's purchasing procedures. The Foundation has implemented purchasing procedures which meet project purchasing needs and which satisfy the requirements of federal, state, and independent auditors.

Reasonable and customary procurement procedures for not-for-profit organizations will be followed to ensure good value is obtained. Auxiliary organizations are not required to follow the California State University (state) procurement requirements, except as required by the Memorandum of Understanding or Operating Agreement.

For purchases of all items over \$5,000 on G, C or RS Funds, the purchase order mechanism must be used.

A capital asset is defined as real or personal property that has an acquisition cost equal to or greater than \$5,000 and an estimated useful life of one year, or greater. These items are tracked for the purposes of Assets Management tracking.

Purchases made from Sponsored Programs, Grants, or Contracts funds may be made only if allowed under the specific terms and conditions of the project and only during the term of the grant or contract or during an approved extension or renewal. The Project Director 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.

## General Provisions

- [Research Foundation General Provisions for Service Acquisitions](#)
- [Research Foundation General Provisions for Acquisition of Goods](#)
- [Research Foundation General Provisions for Information Technology Acquisitions](#)

<http://www.foundation.csulb.edu/policies/>

**CSULB Research Foundation is choosing to delay implementation of the Procurement Standards as outlined in the OMB Uniform Guidance (2 CFR 200). CSULB Research Foundation will continue to comply with OMB Circular A-110 for all Federally Sponsored Funds. See [Circular No. A-110 -- Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations](#) Sections 40-48 (Procurement Standards).**

## **Vendor Selection**

In selecting a vendor, project personnel should consider the price, terms, product/service quality and conditions that the vendor offers. Generally, price is the most important consideration in vendor selection. However, Foundation may consider other factors such as the Contractor's ability to perform the work, past performance of similar work, safety history, innovation, qualifications of key managers, possession of equipment necessary to complete the work, and overall work plan, approach and methodology.

Ensure that all purchases are made from responsive and reputable vendors that will meet their delivery requirements. As a recipient of federal funds, the Foundation is encouraged to use its best efforts to make purchases from "disadvantaged" businesses, including minority-owned, disabled veteran-owned, women-owned, and/or small businesses.

## **Purchases**

Purchases of \$5,000 or more must be approved by the Office of Research and Sponsored Programs (ORSP) prior to submitting a requisition to Purchasing. Separate procedures exist for travel expenses, Petty Cash, and consulting costs. Refer to the Foundation Website for procedure listings.

Purchase orders for chemicals, solvents, or other products that may contain any kind of hazardous material must include a vendor requirement to furnish a Material Safety Data Sheet for the commodity being purchased.

If the requesting department requests another form of payment other than a requisition or Procurement Card (P Card), please refer back to ORSP for approval. The Buyer will only be reviewing for Delegation of Authority (DOA) approval level within People Soft or Signature Approval Level per the Administrative Guidelines.

[http://daf.csulb.edu/admin\\_guidelines/policies/sig\\_auth.html](http://daf.csulb.edu/admin_guidelines/policies/sig_auth.html)

## **Purchasing Dollar Threshold**

For any procurement which is expected to exceed the small purchase threshold fixed at \$25,000 shall include the following at a minimum one of the two areas below;

- a) Scope of work or characteristics required for the functionality of the product or service. A clear description of technical requirements in terms of functions to be performed or performance required. Including the range of acceptable characteristics or minimum acceptable standards. Description shall not contain features which unduly restrict completion.
- b) Two (2) additional quotes that accompany the scope of work to ensure that each supplier is given the exact same scope or requirements along with their quote.
- c) Sole Source Justification – For lack of competition when competitive bids or offers are not contained. A sole source is justified when it has been determined that only one source exists for the required product or service and bidding is not possible. A Sole Brand exists when only one brand-name product will satisfy the requirements.

## **The Purchasing Process:**

### Step 1:

Requisitions for purchases are submitted through CFS, approved by the appropriate administrator/approver (See CSULB Delegation of Signature Authority) and then electronically delivered to Purchasing. All requisitions received by Purchasing follow a similar process. Each is reviewed for accuracy and completeness and erroneous or incomplete orders are returned to the department for correction.

If a contract or terms and conditions are involved that require review or negotiation with the prospective supplier or service provider, the requisition must be submitted a minimum of 10 business days prior to the activity due date. All documentation requiring review (contracts, terms and conditions, etc.) must be submitted with the requisition; otherwise additional time will be required for Purchasing to obtain these items from the prospective supplier or service provider.

### **Purchases requiring additional documentation:**

- Alcohol – Please refer to the Alcohol Procedures listed on the [Risk Management Website](#) . Please also review any restrictions associated with the Funding Source.
- ATI purchases E&IT [Approved Checklist](#) (ATI Section 508 Electronic & Information Technology Product Checklist)
- Authorized Emergency Purchases by Purchasing ([Emergency Purchase Authorization Form](#))
- PPFM/Facilities approval for any furniture/facility related purchases (email showing approval)

### **Procurement Card (P Card)**

The Procurement Card (referred to as P-Card) is available to any staff/faculty member on campus if delegated and approved by their Approving Official. After obtaining the P-Card, it is the responsibility of the P-Card holder to ensure all guidelines and procedures are followed in accordance with published [Card Guidelines on the Procurement Website](#)

### **Accessible Technology Initiative**

The Accessible Technology Initiative (ATI) reflects the California State University's (CSU) ongoing commitment to provide access to information resources and technologies to individuals with disabilities. The CSU ATI is further defined at <http://www.calstate.edu/accessibility/>. Previously, the dollar threshold would affect 508 Compliance; however, the new rule is impact to the university. Evaluation is based on whom, and how many people will be using the item(s) which encompasses students, faculty, staff, and the public at large. Items requiring section 508 compliance in support of the initiative are identified below.

For more detailed information regarding all Risk and Insurance issues, please refer to the campus website: <http://daf.csulb.edu/offices/financial/purchasing/ati/index.html>

## **Blanket Purchase Order**

The Purchasing Department encourages consolidation of annual requirements for certain commodities and services. Blanket Orders may be used when the exact quantities of goods or frequencies of services is not certain. Such orders should be used to achieve economies of scale, cut expenditures, and reduce administrative handling costs.

## **Change Order**

If a Purchase Order has been issued to a vendor and circumstances require a change in the amount of the order, an extension of the expiration date or a change in the period of performance, the Project Director needs to approve changes. Purchasing will return a copy of the purchase order to the Project Director, who approves the changes and returns the revised purchase order copy to purchasing. The Foundation will re-check allowability. The increased price (after approval and allowability) will be added to the encumbrance.

## **Encumbrances**

An encumbrance obligates funds for a specific purchase. This ensures, to the best of the Foundation's ability, that contract payments will be honored. The authorized administrator/approver is responsible for verification of all contractual provisions prior to authorizing payment and/or confirming the receipt of products or services.

Funds will remain encumbered until payments are made, settlements of financial obligation are complete (i.e. travel, petty cash) or upon approval of written authorization and explanation for cancellation. In the event of a cancellation, all amounts advanced and/or prepaid must be returned to the Foundation.

## **Conflict of Interest**

Unless specifically stated within the terms and conditions of any employment or contractual relationship, it is unlawful for a person to utilize any CSU or CSU auxiliary organization information that is not a matter of public record, for personal pecuniary gain. Prohibition of such utilization applies whether or not a person is or is not so employed or under contract at the time the gain is realized.

Use of CSU, CSULB, and/or CSULB Research Foundation procurement facilities or procedures to obtain property or services for personal use, or misrepresentation to vendors or contractors that personal acquisitions are for business purposes when they are not, can result in prosecution for misrepresentation embezzlement, and theft.

Project Directors, Principal Investigators, and project staff have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which the Foundation wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification of issues related to the subject of acceptable standards of operation.

An actual or potential conflict of interest occurs when an employee is in a position to

influence a decision that may result in a personal gain for that employee or for a relative as a result of this organization's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if an employee has any influence on transactions involving purchases, contracts, or leases, it is imperative that he or she disclose to an officer of the organization, as soon as possible, the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result in cases where an employee or relative has a significant ownership in a firm which receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving the organization.

To avoid conflicts of interest, purchases shall not be made from companies where PIs, buyers or other CSULB or CSULB Research Foundation employees have a major economic interest. Such purchases may have at least the appearance of wrongdoing and should therefore be avoided. The CSULB Research Foundation purchasing staff may make random checks of company ownership to ensure that integrity is maintained in all purchasing practices.

### **Written Contracts**

A Written contract or Purchase Order are required for the procurement of services, with the exception of honorariums provided for experts conducting training sessions or workshops.

Contracts should include:

- Name of individual or business, address, phone number, and fax number;
- Federal I.D. number or Social Security number;
- Term of Service – estimated start and end dates;
- Basis for Rate – Such as flat fee or hourly rate. Also include description of any additional costs that will be covered such as travel reimbursement, copying costs or contractor supplied materials;
- Basis for Payment – Milestones of achievement or deliverables;
- Scope of Work – Comprehensive description of service to be performed; and
- Evidence of Insurance, if applicable.

Written contracts should only be signed by the Office of Procurement & Contractual Services.

## Risk Management

Risk Management is a service area of California State University Long Beach Division of Administration and Finance. In its capacity, the campus Office of Risk Management aids in the administration and facilitation of campus and Research Foundation programs with the focus of minimizing risks to students, employees and visitors to the campus. Risk Management also makes recommendations and takes action to reduce risk of loss or damage to university owned property.

The campus Office of Risk Management is responsible for providing advice and information, as well as coordinating all risk management functions, to those with program responsibilities. This process includes assistance with risk identification and evaluation, special events certification, assisting with insurance review and compliance, providing certificates of insurance when indicated, providing appropriate hold harmless provisions and agreements to employees, students and visitors, educating and assisting with foreign travel, identification of risks for field trips and use of waivers.

The campus Office of Risk Management provides additional services to students, faculty and staff including assisting with the purchase of special events insurance, foreign travel insurance and business property insurance.

For more detailed information regarding all Risk and Insurance issues, please refer to the campus website: [http://daf.csulb.edu/offices/financial/risk\\_management/index.html](http://daf.csulb.edu/offices/financial/risk_management/index.html)

Short term licenses issued by a campus or an auxiliary for special on-campus events shall also require such evidence of coverage, whenever they pose a significant level of risk. These include, but are not limited to, athletic events, automobile or motorcycle races, rodeos, thrill show and fireworks displays.

Any contract that may involve risk of injury or damage to persons or property shall protect CSULB and CSULB Research Foundation against liability by requiring the contractor provide:

The limit of coverage set forth in this requirement is a minimum amount, and in any situation where an unusually high risk of liability is present, CSULB Research Foundation may require the contractor to carry insurance with a higher limit.

The Insurer must have a current A.M. Best's rating of A:VII or equivalent unless otherwise agreed to by the University.

1. General and Automobile Liability. Contractor shall furnish to CSULB Research Foundation prior to the commencement of work an **underwriter's endorsement with a certificate of insurance** stating that there is liability insurance presently in effect for the contractor with a combined single limit of not less than \$1,000,000 per occurrence, and \$2,000,000 aggregate; Products/Completed Operations aggregate \$1,000,000; and that vehicle insurance (where applicable) is in effect with a minimum coverage of \$1,000,000 per occurrence.

**The underwriter's endorsement for each certificate shall identify the California State University Research Foundation as an additional insured by stating the following:**

- a) That the State of California, the Trustees of the California State University,

California State University Long Beach, the California State University Research Foundation, their officers, employees, representatives, volunteers, and agents are included as additional insured's, but only insofar as the operations under this contract are concerned;

- b) That the insurer will not cancel the insured's coverage without thirty (30) days prior notice by certified mail, return receipt requested, to the CSULB Research Foundation;

- 2. Workers' Compensation. Contractor agrees that the bodily injury liability insurance herein required shall be in effect at all times during the term of this contract, with Employer's Liability \$1,000,000. In the event said insurance coverage expires at any time or times during the term of this contract, contractor agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage for not less than the remainder of the term of the contract, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of the Foundation, and the contractor agrees that no work or services shall be performed prior to the giving of such approval. In the event contractor fails to keep in effect at all times insurance coverage as herein provided, the Foundation may in addition to any other remedies it may have, terminate this contract upon the occurrence of such event.

**Certificate Holder needs to read:**

California State University Long Beach Research Foundation  
6300 State University Drive Suite 332  
Long Beach, CA 90815

For specific insurance provisions required in the contract, please contact the Purchasing Supervisor.

**Business Related Expenses**

Business expenses must be directly related to, or associated with, the conduct of official California State University Foundation or University business. Purchases must, in the best judgment of the approving authority, serve a clear business-related purpose, with no personal benefit derived by the purchasing employee.

**Hospitality**

Per Executive Order 761, hospitality is defined as the provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies, etc.), promotional materials, gifts and travel expenses of official guests. Hospitality includes expenses for activities that promote the University to the public, usually with the expectation of benefits accruing directly or indirectly to the University. Hospitality expenses must conform to IRS and State of California regulations.

**Travel**

The California State University Foundation complies with the California State University Travel Policy.

Per Executive Order 399, reimbursement of travel expenses incurred while conducting Foundation/University business shall be comparable to the reimbursement rates



normally provided by the California State University. Exceptions to the California State University Policy and Procedures Governing Travel and Expense Reimbursement require prior written approval of the Foundation President.

Reimbursements must be substantiated by receipts, with the exception of reimbursements for meals and incidentals paid in accordance with California State University's per diem schedule.

Individuals shall be entitled to a cash advance of 80% of per diem rates upon prior approval of travel request form.

**PLEASE NOTE: Please refer to the Integrated CSU Administrative Manual (ICSUAM) site presented within the CSYOU Intranet for further information on the CSU Auxiliary Organization Compliance Guide and the CSU Auxiliary Organization Sound Business Practice Guidelines.**

<https://csyou.calstate.edu/Policies/icsuam/Pages/Section-13000.aspx>