



## Procurement & Contracts Policy

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### General Description

#### 1. PURPOSE

Provide guidance to campus requestors on the policies, processes, and procedures for acquiring goods and services for the campus. The Trustees have the authority for the California State University to purchase personal property (goods) and to enter into agreements for the furnishing of services.

#### 2. AUTHORITY AND LEGISLATION

CSU Contracts and Procurement Policy: <https://calstate.policystat.com/policy/7865355/latest/>

Construction Management for Public Works Contracts:  
<https://calstate.policystat.com/policy/10303142/latest/>

Sponsored Programs Federally Funded Procurement:  
<https://calstate.policystat.com/policy/7865355/latest/>

#### 3. SCOPE

This policy applies to purchases of all products and services for the campus and its auxiliaries, unless an exception is provided, such as a Sole Source/Sole Brand Justification.

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### Policy / Procedures

#### 1. POLICY

The CSU is committed to a policy of promoting fair and open competition, for the acquisition of goods and services to meet its needs. In implementing its policies and procedures for the

preparation and administration of purchase orders and contracts, the CSU strives to achieve, through public advertising, notification, and outreach, the following objectives:

- ✓ Compliance with the intent of statutes regarding competition as a means of protecting the public from the misuse of public funds;
- ✓ Stimulation of competition in a manner conducive to sound fiscal practices by providing qualified firms fair opportunity to participate;
- ✓ The elimination of favoritism, fraud, and corruption in the awarding of purchase orders and contracts;
- ✓ Obtain best value for the CSU while complying with legislative intent.

## **2. CLASSIFICATION OF CONTRACTS**

### **Goods Contract**

This is a purchase that has as its sole or main purpose the buying of tangible items, such as equipment, parts, supplies, or other merchandise. If any services are to be provided as well, the dollar value associated with the purchase of the Goods must be greater than the dollar value of the services that will be provided. This classification of contracts does not include contracts for the acquisition of Information Technology Resources (ITR) Goods and Services or facility maintenance services.

### **Services Contract**

Service means any work performed by an independent contractor wherein the service rendered does not consist primarily of the acquisition of goods. This classification of contracts does not include contracts for the acquisition of ITR services or public works project agreements but does include contracts for maintenance tasks for the routine, recurring and usual work for the preservation, protection and keeping of any publicly owned or publicly operated facility.

### **Information Technology Resources (ITR) Goods and Services Contract**

Information Technology Resources (ITR): Equipment, material and/or services used for electronic storage, processing or transmitting of any data or information, as well as the data or information itself. This definition includes but is not limited to electronic mail, voice mail, local databases, externally accessed databases, CD-ROM, recorded magnetic media, photographs, digitized information, or micro-imaging. This also includes any wire, radio, electromagnetic, photo optical, photo electronic or other facility used in transmitting electronic communications, and any computer facilities or related electronic equipment that electronically stores such communications.

When determining whether a contract is for ITR, consider the predominant purpose or value of the activity, and whether information technology skills and knowledge are involved as the primary purpose of the contract or whether such knowledge or skills are used to further an overarching purpose.

### **3. SOLICITATION METHODOLOGIES**

There are several industry-standard methods that may be used for soliciting and awarding contracts including:

- Invitation for Bid (IFB)
- Request for Proposal (RFP)
- Request for Quotation (RFQ)
- Reverse Auction

In addition, an informal solicitation process is allowable under certain circumstances. Such acquisitions must be in accordance with campuses' policies and procedures for informal solicitations.

When choosing which methodology to use, a campus should consider the procurement objective; including but not limited to, the requirements of the goods or services being procured, the estimated dollar value of the resultant contract, any legislative and policy requirements, and the best interest of the CSU. If the objectives change during the process, the procurement process should be restarted using the appropriate process or formally modified through appropriate written notification to potential vendors.

The determination for award of contract must be in conformance with the evaluation process and methodology specified in the solicitation document. Only responsible and responsive firms may be awarded a contract. All bids/proposals may be rejected in any case where the campus determines that the bids/proposals received are not in the best interests of the CSU.

### **4. SOURCING OPTIONS AND ALTERNATIVES**

It is the policy of the CSU to seek and to achieve discounts and/or better services and to reduce administrative costs using strategic purchasing programs and appropriate sourcing opportunities. To this end, the CSU is committed to maximizing purchasing leverage through collaborative, joint, and strategic sourcing activities within the CSU and with partner Universities and organizations.

The following are acceptable options and alternatives:

- a. CSU Master Enabling Agreements or Master Pricing Agreements
- b. Blanket Purchase Orders and Multiple Awards
- c. General Services Administration of the United States (GSA) Pricing Schedules
- d. California Department of General Services Leveraged Procurement Agreements
- e. Cooperative and Consortium Purchasing Agreements Administered by Non-CSU Organizations
- f. Multi-Campus Collaborative Contracts or other competitively sourced Contracts

## 5. SOLICITATION THRESHOLDS FOR NON-IT RELATED GOODS AND SERVICES

The following are bid thresholds for acquisitions of goods and services that are not IT related. Procurement should always be consulted on informal solicitations and certified SB/DVBE solicitations. Formal solicitations are under Procurement oversight and can take about 3 months from start to finish so departments should plan accordingly.

### **Acquisitions Less than \$250,000 from California Certified Small Business (SB) or Disabled Veteran-Owned Business Enterprise (DVBE)**

This is called the Small Business / DVBE Option. Acquisitions of personal property that are estimated to be less than \$250,000 may be awarded to a Certified Small Business or DVBE, if the campus obtains price quotations from two or more Certified Small Businesses or two or more DVBE's as referenced in Government Code Section 14838.5.

### **Acquisitions Less than \$50,000**

Competition is not required for goods or services on transactions of an amount less than \$50,000 unless the campus determines that competition is necessary to develop sources, validate prices, or for other sound business reasons intended to establish fair and reasonable standards.

### **Acquisitions Equal to or Greater than \$50,000 and Equal to or Less than \$100,000**

Acquisitions of goods or services estimated to be equal to or greater than \$50,000, and equal to or less than \$100,000 may be the result of an informal non-advertised solicitation process. The informal solicitation must be based on a written project scope documenting the requirements and characteristics the goods must possess for the proposal to be responsive. Written or verbal responses based on the project scope must be obtained from at least three vendors. If less than three responses are received, campuses must document that sufficient outreach and diligence was undertaken before waiving the requirement for three responses.

Contracts shall be awarded based on the proposal that provides the most value-effective solution to the CSU's requirements. Verbal quotes must be documented. If the award is other than to the lowest priced proposal, campuses shall document the value-based determination for making the award.

### **Acquisitions Greater than \$100,000**

Contracts for personal property greater than \$100,000 shall be awarded as the result of a formal solicitation process. The formal solicitation shall comply with all requirements for formal solicitation of goods, as applicable, per CSU Procurement Policy.

## 6. SOLICITATION THRESHOLDS FOR IT GOODS AND SERVICES

This section establishes systemwide contracting and procurement policy as it pertains to the procurement of Information Technology Resources (ITR) goods and services.

All IT acquisitions outside of campus standards, such as computers, requires ITS review and approval. See Procurement of Accessible Technology Policy for more information located at:

<https://maindata.csub.edu/media/29726/download?inline>.

### **Acquisitions Less than \$50,000**

Competition is not required on ITR goods and services transactions of an amount less than \$50,000 unless the campus determines that competition is necessary to develop sources, validate prices, or for other sound business reasons intended to establish fair and reasonable standards.

When deemed necessary, the attainment of the standard of "fair and reasonable" may be determined by techniques including, but not limited to, one of the following:

- *Catalog or Market Price* - The price offered is supported by an established and verifiable catalog or market pricing medium issued by a responsible supplier and/or through an established reputable forum. In addition, the pricing structure provided is one that a prudent purchaser would accept as a reasonable representation of existing market value.
- *Price Comparison* - A purchaser has obtained quotes or offers within the last 6-month period from other responsible suppliers who provide evidence that a price obtained is deemed fair and reasonable.
- *Historical Pricing* - A purchaser is able to demonstrate that other transactions occurring in the past 18 months show prices for similar acquisitions, which provides evidence that a price obtained is deemed fair and reasonable. Controlled Pricing - Law or regulation sets the price offered.
- Campuses may also define and document other "fair and reasonable" attainment techniques that demonstrate best value to the CSU.

### **Acquisition of ITR Goods or Services, including Consulting, Equal to or Greater than \$50,000 and Equal to or Less than \$500,000**

Acquisition of ITR requirements that are estimated to be equal to or greater than \$50,000, equal to or less than \$500,000 may be the result of an informal non-advertised solicitation process. The informal solicitation must be based on a written project scope documenting the requirements and characteristics the ITR goods or services must possess for the proposal to be responsive. Written responses based on the project scope must be obtained from at least three vendors. If less than three responses are received, campuses must document that sufficient outreach and diligence was undertaken before waiving the requirement for three responses.

Contracts shall be awarded based on the proposal that provides the most value-effective solution to the CSU's requirements. Verbal quotes must be documented. If the award is other than to the lowest priced proposal, campuses shall document the value-based determination for making the award.

### **Acquisitions Greater than \$500,000**

Acquisitions of ITR requirements estimated to result in contracts greater than \$500,000 shall be awarded as the result of a formal solicitation process. The formal solicitation shall comply with all requirements for formal solicitation of ITR goods or services, as applicable, contained in CSU Procurement Policy.

## 7. PROCESS STEPS

### I. Gather Information & Complete Requisition

Purchase Requestor should obtain all information and documentation necessary such as a quote or multiple quotes if required that includes product details, scope of work/services, proposal and/or rate sheet. Submit requisition with complete chartfield and signature by authorized signer on the delegation of authority (DOA).

### II. Determine what other Review/Approvals required

For **public work projects**, such as office remodels, building maintenance or construction, consult with Facilities Management for review and approval.

For **grant funds** under sponsored programs, submit requisition for review/approval to Sponsored Programs Post Award. They will submit approved requisition to Procurement for processing.

For **IT acquisitions**, such as software, cloud services or hardware (non-campus standard), submit a Solutions Consulting (SC) Request Form for review and approval.

For **Independent Contractors (IC)**, such as consultants, speakers, and contractors/suppliers that perform tasks that campus employees can perform, submit requisition with scope of work to Human Resources for review and approval.

For **internal review and approvals**, route to the appropriate department(s) prior to submission to Procurement.

### III. Procurement Review

Procurement will review requisition and reach out to Requestor for any information, documentation or approvals that are missing. Procurement will obtain all necessary documents from suppliers such as proof of insurance for onsite services, tax forms for new suppliers, etc. Procurement will also negotiate terms for contracts/agreements, if applicable. These steps can take time to process so departments should plan accordingly.

### IV. Complete Procurement

For any purchase request requiring solicitation/bidding, Procurement will work with requesting department on bid process. Again, a formal solicitation can take about 3 months from start to finish.

Procurement will process purchase order and issue contract, if applicable.

## 8. CONTROLS

Procurement will not process a purchase requisition without the necessary reviews, approvals and documentation required.

Purchases for goods or services made in the name of the University or its auxiliaries without delegated authority or use of an authorized purchase/service order/contract may be considered a personal obligation of the person making the purchase and not an obligation of the CSU.

Contractual documents such as contracts, agreements, NDAs and MOUs are to be submitted to Procurement for review and approval and require signature by an authorized and delegated representative of the CSU or its auxiliaries.

## 9. FORMS AND RELATED CAMPUS POLICIES

- [Requisition Form](#)
- [Solutions Consulting Request Form](#) (requires SSO login to access ServiceNow system)
- [Sole Source / Brand Justification Form](#)
- [Cloud Computing Policy](#)
- [Procurement of Accessible Technology Policy](#)