

**CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION INC.**  
**Purchasing and Procurement Policy**

The purpose of this policy statement is to provide management with policy and regulations governing Association purchases. The Association is committed to open and free competition, to the maximum extent practical and prudent, in the purchase of equipment, materials, supplies and services necessary for activities provided by the Association. The Association is committed to providing cost effective services.

**POLICY AND REGULATIONS**

- A. Policy provisions
1. Purchases shall be made in a cost-efficient manner which supports and facilitates competition while still meeting operational requirements such as quality, timeliness of service, and product availability.
  2. Purchases shall follow what is customary in the market place for a particular commodity or product and be consummated in such a manner so as to constitute a reasonably prudent documented business transaction.
  3. Whenever possible, recycled products shall be considered for procurement in place of non recycled products whenever such products are available at no additional cost.
  4. The Association will recommend that purchases from funds held in trust by the Association for University organizations follow this same policy.
  5. Sole source purchases exceeding \$10,000, on a non-competitive basis, will require written justification and approval of the Executive Director. Approval can be demonstrated by attaching to the authorization an email documenting approval received from the Executive Director and carbon copied to the CFO. The written justification should include:
    - a. Unique performance factors of the products specified,
    - b. Why these factors are required, and
    - c. What other products were evaluated and rejected, and why.
  6. No Association Board member, employee, or CSU employee by virtue of their position, will personally derive any benefit, gain or receive preferential treatment from the use of facilities or procedures available to the Association for the purchase of equipment, supplies or services.
  7. Employees failing to follow the purchasing policy or procedures may be assuming a personal liability for payment to the vendor and may be subject to appropriate disciplinary action.

## B. Regulations

Consistent with the policy provisions in Section A above, the following regulations apply to Association purchases:

1. Materials and supplies-
  - a. Kennel Bookstore Purchases – see Kennel Bookstore Operating Procedures.
  - b. University Food Services Purchases – see University Food Services Operating Procedures.
  - c. University Courtyard Purchases – see University Courtyard Operating Procedures.
  - d. Purchases under \$5,000 - Such purchases shall be accomplished in a manner customary to good business practices. Price quotations are recommended, but are not required.
  - e. Purchases from \$5,000 to \$20,000 – Written price quotes must be obtained from two or more vendors, except as required by vendor agreements or contractual obligations. Documentation should include date, vendor name, contact person, phone number and be attached to the requisition and a copy maintained on file for audit purposes. Such procedures are not applicable to merchandise for resale.
  - f. Purchases greater than \$20,000 - These shall be based on written specifications and may include a formal solicitation/ process which recognizes competitive price, responsiveness to specifications, and reputation of vendors, etc., except as required by vendor agreements or contractual obligations. Such procedures are not applicable to merchandise for resale.
2. Equipment
  - a. All equipment purchases of \$1,000 or more need prior approval by the Executive Director. Approval can be demonstrated by attaching the email or memo from the Executive Director to the authorization.

- b. The purchase of computer hardware and software for Association operations shall be compatible with Association computing standards, consistent with program or project goals and objectives, be within the approved budget, coordinated with the Director of Management Information Systems, and be approved by the Executive Director or his/her designee.
  - c. Equipment purchases must also be in accordance with the Fixed Asset Policy.
3. Exceptions to bidding
- a. Bidding will not be required on purchases of less than \$5,000.
  - b. As required for vendor agreements or contractual obligations.
  - c. Such procedures not applicable to merchandise for resale,
4. Authority to purchase
- a. Prior management approval is required if a contemplated purchase is not within an approved operating budget.
  - b. Purchases of \$5,000 or less may be approved by the appropriate unit director. Purchase orders are optional.
  - c. Purchases in excess of \$5,000 must receive the additional approval of the Executive Director or his/her designee. Purchase orders or contracts are required.
  - d. Confirming purchase orders may be approved when time is of the essence. Such purchases must be approved by the appropriate unit director.
  - e. Equipment purchases in excess of \$20,000, not included in the annual fiscal year budget, shall be approved in advance by the Association Board of Directors. Under emergency conditions or unusual circumstances, such approval is granted to the Executive Director with a subsequent report to the Board of Directors.
  - f. Standing (blanket or open) purchase orders may be used for routine repetitive purchases from the same vendor.

Standing purchase orders may not be used to purchase equipment or to circumvent this policy statement.

**IMPLEMENTATION**

The Executive Director is charged with the responsibility of implementing this policy statement through management guidelines.