



## PROCUREMENT POLICY

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### **PURPOSE:**

Establish requirements for the procurement of materials, equipment, supplies, and services paid from California State University San Marcos Corporation (CSUSM Corporation) administered funding sources.

### **SCOPE:**

All purchases shall be made in a manner which supports legitimate CSUSM and/or CSUSM Corporation business purpose. This policy blends good business practices and governing policy while complying with federal and state laws. Purchases not covered by this policy include investment management services, legal services, lecturers, speakers, and real estate. All purchases must comply with CSUSM Corporation's Policies and Procedures which are further defined in the Procurement Guide.

### **POLICY:**

- I. All purchases must be approved within the approved budget and by the appropriate approving authority.
- II. Purchases shall be made in a manner that supports and facilitates the competitive bidding process and provides best value consistent with quality, specifications, service and product availability.
  - a) Fitness and quality being equal, recycled products shall be considered for purchases in place of non- sustainable/recycled products whenever such products are available at no more than the total cost of their non-recycled counterparts. 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 and documented business transaction.
  - b) System-wide, volume purchase agreements and State Purchasing contracts shall be utilized when deemed to be advantageous to CSUSM Corporation.
  - c) Purchases must comply with the letter and spirit of all laws applicable to CSUSM Corporation's business and interest including contract law, and anti-trust laws which prohibit price fixing resulting in the elimination of free competition. No Corporation Board member, employee or CSU employee, by virtue of their position will violate the Corporation's Conflict of Interest Policy by deriving any benefit, gain or receive preferential treatment from the purchase of materials, supplies, equipment or services.
  - d) Employees, faculty, staff , students failing to follow the Procurement Policy and procedure may be assuming personal liability for payment to the vendor and may be subject to

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disciplinary action.

- e) Execution of purchase orders, agreements, leases, MOU and all binding contracts shall be consistent with signature authority resolution approved by the CSUSM Corporation Board of Directors.
- f) Capital with a cost of \$5,000 or more that benefit or provide services of one year or more will be capitalized, tracked, tagged and depreciated over the life of the asset. All Capital/Property purchases must comply with the Property Control Policy and Procedures.
- g) The CSUSM Corporation Executive Director is charged with responsibility of implementing this policy.

### III. Purchasing Methods and Thresholds

For the purpose of this Procurement Policy, taxes and freight charges are considered part of the total purchase cost.

Purchases under \$10,000: price quotations are not required to be submitted.

Purchases between \$10,000 and \$49,999: at least two quotations, written or electronic form, from the suppliers must be submitted.

Purchases between \$50,000 and 149,999: must include three or more formal quotations provided in written or electronic form from the suppliers. Formal Price quotations are required and must be approved by the Executive Director or designee.

Purchases greater than \$150,000: requires a Request for Proposal (RFP) or Request for Quotation (RFQ) be issued. Alternatively, a system-wide or publicly bid contract or sole source may be used.

### IV. Sole Source Purchases

Sole Source purchases on a non-competitive basis will require written justification and approval by the CSUSM Corporation Executive Director.

The following must be included in the justification:

- a) Description of unique requirements and/or performance factors of the product.
- b) Why unique performance requirements/factors are required.
- c) What other products have been evaluated, and rejected, and the rational for the rejection.
- d) Special circumstances requiring immediate action.

### V. Sponsored Projects, Grants and Contracts

- a) Any expenditures or purchases from contract and grant funds shall be approved by CSUSM Corporation in accordance with the sponsoring agency's contract, including the approved budget and any expenditure restrictions or allowances of the sponsoring agency. Purchases will require prior written authorization or approval of the funding sponsor if required by the agreement. Refer to the Principal Investigator (PI) Handbook for more information.
- b) Purchases of goods or services for projects that receive external, federal funding, shall comply with the Office of Management and Budget (OMB) Uniform Guidance (2 CFR 200.317 through 200.326) sponsoring agency policies, and award terms and conditions, as applicable.

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### **EXCEPTIONS:**

The following are exceptions to this policy:

Retention of service contracts on an hourly time and material basis.

### **REFERENCES:**

[CSUSM Corporation Policies and Procedures](#)

[2 CFR 200 -- Procurement Standards](#)

Conflict of Interest

[\*CSUSM Corporation Board of Directors\*](#)

[\*CSUSM Corporation Employees and Interested Parties\*](#)

[Principal Investigator Handbook](#)

[Property Control Policy and Procedures](#)

[Public Relations Policy](#)

[Uniform Guidance Frequently Asked Questions](#)