The CSU, Chico Research Foundation

Office of Research and Sponsored Programs

Foundation Administration

PROCUREMENT POLICY AND GUIDELINES

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I. PURPOSE

The CSU, Chico Research Foundation (Foundation) is firmly committed to a program that considers transactions from many perspectives, including but not limited to, best dollar value, outreach to vendors, promotion of fair and open competition, lifecycle, operational requirements, quality and the selection of products and services that will best aid and supplement the instructionally related and auxiliary support service activities of the Foundation.

All project personnel and buyers involved in the purchase of goods and selection of vendors must ensure that purchases are made from responsive and reputable vendors that meet stated delivery requirements. Other considerations should include price, responsiveness to specifications, product quality, and compatibility.

II. GUIDELINES

A. Purchases shall be made in a manner that supports and facilitates free and open competition while meeting operational requirements for specifications, quality, and the availability of products and services.
B. Purchases shall follow what is customary in the market place for a particular commodity or service and be accomplished in such a manner so as to constitute a reasonably prudent and documented business transaction.

C. Recycled products or products that have recycled material within their content, are preferred for procurement where fitness and quality are equal and the cost is not more than the non-recycled product.

D. Purchases from funds held in trust by the Foundation shall conform to the policy and regulations governing the use of such funds. Purchases made with sponsored program funds must be reasonable, allocable and allowable and adhere to the requirements set forth in the grant or contract agreement.

E. Volume or pool purchases, annual purchase agreements and State-purchasing contracts shall be utilized when deemed to be advantageous to the Foundation.

F. No Foundation employee, Board Member, or California State University employee by virtue of their position, will personally derive any benefit or gain or receive preferential treatment from the procedures available to the Foundation for the purchase of equipment, supplies, or services. Employees with conflicts of interest must disqualify themselves from making or participating in a decision which would have a material effect on a personal financial interest.

G. Authorized signers failing to follow the Foundation’s procurement policy and procedures may incur personal liability and/or financial obligation with the vendor.

III. COMPETITIVE PROCUREMENT

In keeping with the above policy provisions, the purchase of any good or set of goods or services from one vendor, the cost of which will equal or exceed $5,000 requires documented competitive bidding. Bids from at least three independent vendors should be obtained and documented. If the proposed vendor did not offer the most competitive price, a written justification must be provided.

IV. SOLE SOURCE/SOLE BRAND NAME JUSTIFICATION

As a recipient of funding from a variety of federal/state agencies and private entities, the Research Foundation must ensure price fairness and reasonableness by documenting the due diligence process. Any anticipated procurement, the cost of which will equal or exceed $5,000, that will be made on a noncompetitive basis must include a sole source/sole brand name written justification and must be approved, in advance, by an authorized representative of the Foundation.

The Sole Source/Brand Name Justification form must be completed and signed by the PI or other designee. The Sole Source/Brand Name Justification must fully document the unique performance characteristics of the product(s) or services specified, why these factors are required, what other products or services have been evaluated and rejected, and why, and any
special circumstances requiring immediate attention. *A preference for one vendor product or service does not constitute sole source.*

**Sole Source/Sole Brand justifications must be approved by an authorized representative of the Foundation prior to purchase. Sole Source/Sole Brand justifications of $100,000 or more require approval from an Officer of the Research Foundation.**

**V. PROCUREMENT PROCEDURES**

The nature of the procurement process and the documentation required will vary, depending upon the type and cost of goods or services to be purchased.

A. Purchases of $4,999 and under
   1. Purchases of $4,999 and under must be approved by the appropriate project manager, administrator or designee. A single price quotation shall be sufficient to make the purchase. A *Check Request* or *Purchase Order Request* shall be utilized for this type of purchase.
   2. Whenever possible, project personnel should avoid making purchases with personal funds as reimbursement is contingent upon approval by the Foundation and availability of funds from the project or account incurring the expense. All requests for reimbursement must be accompanied by appropriate documentation such as itemized receipts or other documentation as required by the Foundation to support and justify the expenses for audit purposes. Purchases made with personal credit cards will only be reimbursed to the cardholder, not the credit card company.
   3. All orders for materials, supplies, or equipment must be sent to a campus/project address and may not be shipped to a personal address.
   4. Every effort should be made to submit invoices and check requests within sixty days from the date of purchase.

B. Purchases of $5,000 to $9,999
   1. A minimum of three (3) bids must be obtained – such as a faxed/emailed price quote and/or copy of published price sheet. Other options include catalogs or the Internet. If this is a sole source or sole brand purchase see Section IV, complete the *Sole Source/Brand Name Justification* form, and obtain approval.
   2. Bids must be documented either at the bottom of the *Purchase Order Request* or by completing the *Competitive Bidding Form*.
   3. If other than the lowest bidder is selected the *Competitive Bidding Form* must be completed. The form must include the rationale behind the selection.
   4. If less than three bids were received, the *Competitive Bidding Form* must be completed. Document the steps taken to determine that less than three vendors can provide the goods or services needed. The form must include an explanation that is specific and provide information that can be substantiated.
   5. Appropriate signature authorization(s) must be obtained and forms forwarded to the appropriate Foundation office for approval prior to purchase.
C. Purchases of $10,000 and Over
   1. Purchases of $10,000 or more may require and RFQ. At the determination of the Foundation, a more complete RFP may be required. The RFQ/RFP must contain written specifications that describe in detail the products and/or services to be rendered and include all standard terms and conditions. The RFQ/P must be sent to a minimum of three (3) bidders.
   2. If this is a sole source or sole brand purchase see Section IV, complete the Sole Source/Brand Name Justification form, and obtain approval.
   3. All bids are reviewed by the requestor who selects the best possible source for the products/services to be purchased prior to issuance of a Purchase Order Request.
   4. The RFQ/RFP and all bids received must be attached to the Purchase Order Request.
   5. If other than the lowest bidder was selected, the Competitive Bidding Form must be completed. The form must include the rationale behind the selection.
   6. If less than three bids were received, the Competitive Bidding Form must be completed. Document the steps taken to determine that less than three vendors can provide the goods or services needed. The form must include an explanation that is specific and provide information that can be substantiated.
   7. A Purchase Order Request must be completed itemizing the products (include make, model, color, size, quantity, etc.) and/or services to be rendered (in the case of repairs include make, model, serial number, and the nature of the problem).
   8. Appropriate signature authorization(s) must be obtained and all forms and back-up documentation forwarded to the appropriate Foundation office.
   9. Audit of the process and approval by an authorized Foundation representative is required before a Purchase Order will be issued by the Foundation.
   10. If a contract or other document is submitted by the vendor for signature, this must be reviewed and signed by an authorized Foundation representative before any such order is issued or acceptance is given.

D. Special Materials Purchase
   1. Regardless of total cost, all chemical substances (e.g., chemicals (pure and mixtures), biological products (viruses, bacteria, toxins, fungi, etc.), must be secured using a Purchase Order Request Form to ensure proper handling of the substances and University notification and must have accompanying Material Safety Data Sheet.
   2. All purchases for radioactive material must be accompanied by an Authorization to Purchase or Accept Radioactive Materials or Radiation Producing Devices form signed by the campus Radiation Safety Officer.

E. Purchase of Services
   1. In addition to the requirements for competitive bidding outlined above, purchases of services from an individual require advance approval by an authorized representative of the Foundation prior to the date the services will be performed. The Independent Contractor Agreement Packet must be completed and submitted to the appropriate Foundation office for review and approval.
   2. In addition to the requirements for competitive bidding outlined above, purchases of services from an established business entity, e.g., with a Federal Employer Identification (FEIN #) which will equal or exceed $10,000 require advance
approval by an authorized representative of the Foundation prior to the dates the services will be performed. The Purchase Order Request Form must be completed and submitted to the appropriate Foundation office for approval.

VI. ADDITIONAL PROVISIONS

A. In general, equipment and extraordinary supplies should be received no later than thirty days prior to the end of a sponsored award in order to pass audit and compliance standards. Purchases that will be received less than thirty days before the end date of the project will generally not be approved by the Foundation without written approval from the sponsor’s fiscal contact for the award.

B. The Foundation is required to reimburse the Federal Government for the value of unused supplies exceeding $5,000 in total aggregate upon termination or completion of the project or program if the remaining supplies are not needed on any other federally-sponsored project or program.

C. In some cases, the bid process will be subject to the regulations and guidelines provided by the funding agency.

D. Cost-plus-a-percentage-of-cost and percentage of construction cost methods of procurement will not be used in procurement. Thus, bids using such methods will not be sought nor accepted if offered.

E. All bids may be refused if it is the Foundation’s determination that none of the bids meets the needs or interests of the project or it is in the best interest of the Foundation to do so. Also, even if a bid is accepted, no procurement may result if subsequent negotiations do not lead to a mutual agreement.

F. Any bid, solicitation or agreement for goods or services that will be purchased in whole or in part with Federal funds and equal or exceed $10,000 will require that the bidder certify that they are not presently suspended or debarred from doing business with the Federal government. The Foundation will not do business with organizations or individuals that, at the time of the procurement, are suspended or debarred from doing business with the Federal government.

G. Foundation will obtain funding agency approval for procurements where required by the terms and conditions of the prime award or otherwise notify the funding agency when such notification is required. The same approval and notification processes will be followed for changes and modifications to procurement agreements where required by funding agency regulations.

H. As required and defined by funding agency regulations, the Foundation will seek the goods and services of small businesses and businesses owned by women or by persons considered disadvantaged, or as otherwise defined by the funding agency. Affirmative steps, as set forth by the funding agency and/or Federal regulations, will be taken where applicable and practical.
VII. SUB-RECIPIENTS AND SUBCONTRACT AGREEMENTS

“Sub-recipient” is a federal term referred to in the OMB Circulars that govern Foundation management of funded projects. A sub-recipient is the legal entity to which a sub-award or subcontract is made and is accountable to the Foundation for the use of the funds provided. Unlike an independent contractor, who provides professional or technical services that are well-defined and limited in nature, a sub-recipient

- has its performance measured against whether the objectives of the Federal program are met;
- determines who is eligible to receive what Federal financial assistance;
- has responsibility for programmatic and/or administrative decision making;
- has responsibility for adherence to applicable Federal program compliance requirements; and
- carries out a substantial portion of a sponsored project as compared to providing goods or services to the Foundation.

Whenever possible, sub-recipients, hereafter referred to as subcontractors, should be identified by name in the proposal and budget at the time of submission or competitive procurement procedures, as outlined above, will need to be followed.

Only the Office of Research and Sponsored Programs has the authority to issue and execute subcontracts to subcontractors on sponsored projects. When Federal funds are involved, the subcontract must “flow-down” or incorporate the appropriate Federal clauses contained in the award document received by the Foundation.

Subcontracts can only be modified in writing and with the approval and signature of an authorized representative of the Office of Research and Sponsored Programs. Any other agreements made by the Principal Investigator, oral or in writing, may negate the terms and conditions of the subcontract and shift liability from the subcontractor to the Foundation.

The Foundation is ultimately responsible to the funding agency for all aspects of the project, including holding subcontractors accountable for their performance. It is the Principal Investigator’s responsibility to oversee and monitor the performance of subcontractors according to the terms and conditions of the award. Principal Investigators should refer to the Foundation’s policy on Sub-Recipient Monitoring for additional information about their duties and responsibilities for overseeing the work of subcontractors.
VIII. Paul L. Byrne Agricultural Teaching and Research Center (ATRC)

Foundation accounts for the ATRC are in a separate category because their business needs and timelines can differ significantly.

A. Equipment Purchases:
For equipment purchases the ATRC will follow the procedures set forth in Sections I – VII.

B. Consumables and Services:
Procedures for the purchase of consumables and services will follow the procedures set forth below. These procedures adhere to sound business practices appropriate for the business operations of the ATRC (a working farm) and are not constrained by the potentially more stringent but less expeditious practices and public policy standards that pertain to governmental and quasi-governmental entities.

1. $9,999 and Under
   a. Purchase of consumable items or services for day-to-day operational needs, purchases for resale, or contracts for service and consulting, if the expense is covered by the annual budget and the commitment does not exceed one year, must be approved by the appropriate project manager, administrator or designee.
   b. A Check Request or Purchase Order Request shall be utilized for purchases over $4,999.
   c. All requests for reimbursement must be accompanied by appropriate documentation such as itemized receipts or other documentation as required by the Foundation to support and justify the expenses for audit purposes.
   d. Purchases made with personal credit cards will only be reimbursed to the cardholder, not the credit card company.
   e. All orders for materials, supplies, or equipment must be sent to a campus/project address and may not be shipped to a personal address.

2. Purchases of $10,000 or Over
   a. Three formal bids are required and must be documented using the Competitive Bidding Form. If this is a sole source or sole brand purchase see Section IV, complete the Sole Source/Brand Name Justification form, and obtain approval.
   b. All bids are reviewed by the requestor who selects the best possible source for the products/services to be purchased prior to issuance of a Purchase Order Request.
   c. If other than the lowest bidder was selected, the Competitive Bidding Form must be completed. The form must include the rationale behind the selection.
   d. If less than three bids were received, the Competitive Bidding Form must be completed. Document the steps taken to determine that less than three vendors can provide the goods or services needed. The form must include an explanation that is specific and provide information that can be substantiated.
   e. A Purchase Order Request must be completed itemizing the products (include make, model, color, size, quantity, etc.) and/or services to be rendered (in the case of repairs include make, model, serial number, and the nature of the problem).
   f. Appropriate signature authorization(s) must be obtained and all forms and back-up documentation forwarded to the appropriate Foundation office.
g. Approval by an authorized Foundation representative is required before a Purchase Order will be issued by the Foundation. In situations where sole source/sole brand purchasing is utilized as a result of emergency repairs to equipment or emergencies related to crop conditions, confirming approval will be obtained as soon as practical.

h. If a contract or other document is submitted by the vendor for signature, this must be reviewed and signed by an authorized Foundation representative before any such order is issued or acceptance is given.

C. Purchase of Farm Chemicals (Fertilizers, Herbicides, Pesticides, and Insecticides)

The purchase and use of Farm chemicals are tightly controlled and part of the daily operations of the ATRC. The procedures immediately above will be used for the purchase of chemicals. In addition:

1. Crop Technicians order chemicals/fertilizers that are needed for the crops/orchards based on advice from technical staff (PCA’s) from various companies who make crop recommendations, do periodic visits to inspect the crops, and run insect traps to make sure pesticide use is necessary.

2. The ATRC, in conjunction with Environmental Health & Safety (EHS), maintains a master list of chemicals used and stored at ATRC facilities.

3. EHS periodically audits the Farm to verify the presence of chemicals, and to ensure safety in the handling and storage of farm chemicals.

4. On a monthly basis, the Crop Technicians submit a monthly report to the Butte County Agricultural Commissioner’s office detailing the chemicals used on the Farm for that month. Reports are generated online and copies are filed in the crops office at the ATRC.