



CSU

ICSUAM
Section 5000
Contracts and
Procurement

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5000.00 | Contracts and Procurement Policy Introduction

Effective Date: 9/12/2013 | **Revised Date:** 9/12/2013

POLICY OBJECTIVE

This policy articulates the CSU's policy and intent as to its procurement and contracting authority.

POLICY STATEMENT

The ICSUAM Section 5000 Contracts and Procurement policies of the California State University (CSU) are not based upon a single statutory reference, but rather are adopted to form compliance with a variety of statutory and policy provisions found in the State of California statutory codes (i.e., Education Code, Public Contract, Government Code, etc.); Title 5, California Code of Regulations; the standing Orders and Resolutions of the Board of Trustees; specific Trustee policy issued via Chancellor Executive Orders; and administrative policy memoranda.

CSU contracts and procurement policies encompass the following fundamental principles:

- Recognition that the basic mission of the CSU is to support the teaching, research, and public service requirements for higher education for the people of the State of California;
- Recognition that the continual development and refinement of purchasing policies to establish efficiencies, transparencies, and safeguards in obtaining the best value for the CSU in the acquisition of goods and services;
- Recognition that policies will be in accordance with sound business judgment and good business practices, and that the policies are paramount to the effective and efficient total operations of the CSU;
- The firm belief that it is in the CSU's best interest to limit, as much as possible, prescriptive policies and regulations and to provide maximum flexibility to, and accountability for, the adoption of local campus policies and procedures to ensure the cost effective operation of campus business;
- Recognition that the policies contained herein are intended to establish a baseline for compliance with State law and Trustees policy. It is the responsibility of the campus to determine the disposition of any issue not specifically addressed herein or otherwise prescribed in law or regulation.

The CSU is committed to maintaining high standards of performance based upon fair, ethical and professional business practices. It is expected that each campus President and administrative staff will develop and adopt local campus policies and operational procedures which further the implementation of Trustee policy presented herein.

5100.00 | Responsibility and Authority

Effective Date: 3/12/2002

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to responsibility and authority to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

The Trustees have the authority for the California State University to purchase personal property and to enter into agreements for the furnishing of services.

5101.00 | Delegation to the Chancellor

Effective Date: 9/12/2013 | **Revised Date:** 9/12/2013

POLICY OBJECTIVE

To reiterate, for the purposes of this ICSUAM policy 5000, the delegation of authority to the Chancellor and to document the chain of delegation of authority.

POLICY STATEMENT

The Chancellor is the chief executive officer of the California State University and has authority to take whatever actions are necessary, consistent with Trustees' policy and applicable law, for the appropriate functioning of the institution. Such delegation includes (for purposes of this policy section), but is not limited to the establishment of policies and procedures for acquisition or sale of services, facilities, materials, goods, supplies, and equipment with the authority to sign agreements.

The Chancellor has been delegated this authority and others from the Board of Trustees (Standing Orders of the Board of Trustees, Chapter II, Section e).

5102.00 | Delegation to the Campus Presidents

Effective Date: 9/12/2013 | **Revised Date:** 9/12/2013

POLICY OBJECTIVE

To ensure the efficient and thoughtful transfer of any authority for contracting and procurement activities.

POLICY STATEMENT

Campus presidents have received delegated authority from the Chancellor to purchase, sell, lease, or license personal property and services in accordance with Trustee policy and law. Additionally, campus presidents have the authority to lease real property in accordance with Trustee policy and law. Presidents are responsible for the preparation of campus internal policies and procedures consistent with these policies. Should campus presidents choose to further delegate their purchasing authority, campuses must maintain documentation of such delegation.

The delegated authority is subject to the condition that certain of these transactions be submitted to the Office of the Chancellor for review and approval. These transactions are:

1. Any transaction which exceeds \$250,000 and is awarded without the taking of competitive bids (sole source). This condition does not apply to sole brand acquisitions which are acquired under competitive procedures nor to contracts pursuant to systemwide contracting activities, such as CSU Master Enabling Agreements, and following individual contract instructions issued by the Office of the Chancellor;
2. Transactions which contain systemwide or multi-campus obligations, liabilities or encumbrances (requests for delegation shall be considered);
3. Transactions which contain provisions for the tax-exempt financing of equipment or services;
4. Contracts to obtain legal services to be performed by outside (non-CSU) counsel;
5. Lease agreements for real property where the commitments of the Trustees, or property leased, is to be used to support the issuance of bonds, certificates of participation or notes, or where there is a transfer of interest by installment sale or other form of security;
6. Lease agreements for real property with a term of twenty or more years or with options that result in a potential term of twenty or more years;
7. Lease agreements for real property with any annual lease payment equal to or greater than \$1,000,000;
8. Lease agreements for real property that permit the development of real property of the CSU pursuant to policies of the Trustees on public/private or public/public development.

Transactions or requests related to the preceding conditions must be submitted with all related documentation and an explanation of the transaction to the Office of the Chancellor to coordinate program & legal reviews.

5103.00 | Role of General Counsel

Effective Date: 9/12/2013 | **Revised Date:** 9/12/2013

POLICY OBJECTIVE

To establish, for purposes of procurement and contracting activities, the role of the Office of General Counsel.

POLICY STATEMENT

The Office of General Counsel provides, manages and coordinates all legal services for the CSU. For procurement operations, it reviews and approves certain transactions specifically requiring legal approval or endorsement, and acts as a consultative body on all matters that require legal interpretation, resolution, or adjudication.

5104.00 | Role of the Chancellor's Office Contract Services & Procurement (CS&P) Department

Effective Date: 12/11/2014 | **Revised Date:** 12/11/2014

POLICY OBJECTIVE

This policy establishes the role of the Contract Services & Procurement (CS&P) Department in the Office of the Chancellor for purposes of procurement and contracting activities.

POLICY STATEMENT

The role of the Contract Services & Procurement (CS&P) Department is to develop, maintain, and administer Trustees' policy related to public procurement practices in the CSU. The Department serves as a legislative advocate, maintains systemwide data and procurement information resources and serves as a liaison to other California and non-California entities. CS&P also conducts, disseminates and trains campuses on the systemwide analysis of expenditures of goods and services. CS&P facilitates multi-campus, systemwide and multi-agency strategic initiatives, procurement and contracting activities and is directly responsible for purchasing and contracting functions in support of Chancellor's Office operations.

5201.00 | Fair and Open Competition

Effective Date: 9/12/2013 | **Revised Date:** 9/12/2013

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

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:

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

5202.00 | Classification of Contract

Effective Date: 2/18/2014

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to classification of contracts to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Proper Classification of Contracts is necessary as a first step in determining which solicitation process is appropriate for the contract, and which elements (such as general provisions) are required to be in the contract. The classification of a contract is determined by its predominate purpose or value of the activity.

100 Contract for Goods

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.

200 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.

300 Contract for Services

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 (see Section 200) 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.

5203.00 | Solicitation Methodologies

Effective Date: 5/10/2013 | **Revised Date:** 5/10/2013

POLICY OBJECTIVE

This policy establishes the recognized solicitation methodologies appropriate for use in the CSU.

POLICY STATEMENT

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

Some of the more common ones are:

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

In addition, ICSUAM Policies 5301.00, 5401.00 and 5501.00 allow for the use of an informal solicitation process in 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.

5204.00 | Strategic Sourcing Options and Alternatives

Effective Date: 10/3/2014

POLICY OBJECTIVE

To establish recognized CSU contract types and determine the requirements for use of systemwide internal and external contracts.

POLICY STATEMENT

It is the policy of the CSU to seek and to achieve discounts and/or better services and to reduce administrative costs through the use of 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 Office of the Chancellor shall maintain a CSU contract web site with all systemwide and multi-campus contracts displayed with instructions for their use and the contact information for the responsible CSU employee managing the contract.

100 CSU Master Enabling Agreements (MEA)

These agreements support the strategic sourcing efforts of the CSU by combining common requirements for specified goods and/or services. This enables the CSU to avoid redundant solicitations and contracts, maximize volume discounts, and reduce administrative costs. Each CSU Master Enabling Agreement may have unique conditions for its use. These conditions may include: the extent to which competition requirements have or have not been satisfied, the naming of parties that may place orders against the CSU Master Enabling Agreement, and/or instructions on how to place an order. The requirements for using any particular MEA shall be established during the contracting process and communicated to Campuses after execution on the CSU contract web site.

Unless stated otherwise in the CSU contract web site, if Master Enabling Agreements were awarded to multiple vendors then acquisitions placed against those Master Enabling Agreements shall be competitively solicited from two or more of the awarded vendors resulting in two or more offers. Such competition may be the result of an informal or formal solicitation process as determined by campus procedures. Acquisitions provided for by Policies 5301.00 (Sections 100 and 200), 5401.00 (Sections 100 and 200) and 5501.00 (Sections 100, 200 and 300) shall be exempted from this competition requirement. In the event that only one offer is received, documentation of the solicitation method used must be included with the contract documentation. Master Enabling Agreements resulting from a formal competitive process and where only one vendor was awarded an agreement do not require further competition.

To guard against more than one solicitation being issued purporting to represent all campuses of the CSU for the same commodity or service, permission to take on such a systemwide bidding and/or contracting effort must be obtained from the Director, Contract Services and Procurement, Office of the Chancellor.

200 Blanket Purchase Orders (BPO) and Multiple Awards

BPO are primary source agreements which are designed to supply goods or services on an ongoing basis for a designated period of time. The agreement generally establishes prices, terms, conditions, and the period covered. Quantities or minimum sales are not required.

Contract awards may be initiated with more than one vendor or contractor for comparable products or services. Multiple awards may be used in instances where awarding to a single provider would be impractical or fail to satisfy the overall requirements of all potential users. The establishment of these agreement types is subject to applicable bidding limits (See Policy 5206.00).

300 CSU Master Pricing Agreements (MPA)

In order to reduce administrative costs to the CSU, Master Pricing Agreements (MPA) may be awarded by the Chancellor's Office. Such agreements establish fixed prices/rates provided by vendors for the purpose of acquiring goods and services at the vendors' best pricing. These prices/rates may be based on aggregate volume purchased and may include mutually agreed to terms and conditions for any resulting orders placed by campuses. Master Pricing Agreements must state if bidding requirements were satisfied (See Policy 5206.00). Campuses wishing to create a systemwide MPA must request and obtain permission to do so from the Director, Contract Services and Procurement, Office of the Chancellor.

400 General Services Administration of the United States (GSA) Pricing Schedules

A Multiple Award Schedule (MAS) or Federal Supply Schedule (FSS) are agreements established between GSA and multiple vendors for the purpose of acquiring goods and/or services under specific prices, terms and conditions. GSA agreements may be used by the CSU if the GSA vendor is willing to extend the same GSA prices to the CSU. A GSA MAS or FSS satisfies the CSU requirement for competition for the goods and services specified in the MAS or FSS contract. Procurements made on the basis of GSA agreements must comply with applicable requirements of CSU policy and the law.

500 California Department of General Services Leveraged Procurement Agreements

500.1 California Multiple Award Schedule (CMAS)

A California Multiple Award Schedule (CMAS) agreement is one established between the California Department of General Services (DGS) and multiple vendors who agree to the State of California terms and conditions. Some, but not all, CMAS contracts are the result of the State adopting a Federal GSA contract and as such, could be governed under section 400 above if used directly.

CMAS contracts are considered by DGS to include prices that are assessed as fair, reasonable and competitive. CMAS contracts have not been established through any competitive means. The use of the CMAS program contracts does not reduce or relieve the CSU of any responsibility to meet statewide requirements, guidelines, procedures or policies regarding bidding contracts or procurements. The CMAS Program use restrictions are described in "General CMAS Program Information" (Refer to Resources and Reference Materials Section).

500.2 DGS Leveraged Procurement Agreement (LPA)

DGS administers a statewide Leveraged Procurement Agreement (LPA) program. These contracts are established to reduce the need for individual State departments to conduct repetitive bids for like products. These contracts are developed through a competitive bidding process based on the business needs of the State of California departments. Statewide commodity contracts do not have dollar limits or limitations to their use, except as otherwise noted in the contract user instructions. The CSU may use these contracts without limits, except as established in the contract, when it is determined to be in the best interest of the CSU.

500.3 Master Agreements

DGS Master Agreements are contracts similar to LPA's that are competitively bid by the DGS. These types of agreements establish a pre-qualified list of vendors and simplify the purchasing process for the end user, by utilizing fair and reasonable pricing for the function to be provided. Limits on the maximum amount of order may be specified in the Master Agreement contract terms.

600 Cooperative and Consortium Purchasing Agreements Administered by Non-CSU Organizations

Purchasing Cooperatives or Purchasing Consortia (Cooperatives) are a type of cooperative purchasing arrangements amongst similar organizations where the use of the aggregate demand is used to obtain lower prices and/or better services from selected suppliers. The CSU may belong to or participate in these organizations to the CSU's best interest.

A Cooperative establishes contracts through the efforts of its staff or by one of the members of the Cooperative with the intent that such a contract will be of benefit to its member organizations.

Use of contracts established by a Cooperative is permitted in lieu of formal bidding requirements (See ICSUAM

5206.00) for acquiring goods and services if the bidding process was public and any resultant CSU contract or purchase agreement under the Cooperative contract is in conformance with applicable CSU policies and the law.

Purchases resulting from Cooperative contracts do not relieve the CSU from the requirements or attaining goals in programs such as but not limited to Small Business, DVBE, Recycled Content, or Accessibility.

700 Multi-Campus Collaborative Contracts

A group of two or more CSU campuses may elect to work collaboratively on strategic procurement activities when such collaboration serves to maximize overall value based on volume, common specifications, common vendors, timing of significant one-time procurement needs, or other beneficial criteria. For such collaborations one campus shall be appointed to act as lead agent for the procurement and management of the subsequent contract.

To guard against more than one solicitation being issued purporting to represent a similar group of campuses for the same commodity or service, the lead campus must notify the Director, Contract Services and Procurement, Office of the Chancellor as the solicitation is being developed. The lead campus is responsible for the management of the resultant agreement over its term and shall maintain the posting in the CSU systemwide contract web site.

800 Use of Other Competitively Bid Contracts

When in the best interest of the campus, formally bid and awarded contracts from other campuses or other California public agencies may be used in lieu of formal bidding requirements established in ICSUAM Policies 5301.00, 5401.00 and 5501.00. The procurement file shall be documented with references to the formally bid and awarded contract.

5205.00 | Low-Value Purchases

Effective Date: 3/27/2015 | **Revised Date:** 3/27/2015

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to low-value purchase transactions to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

The development of methods for reducing the costs of executing low-value purchases through the use of procurement credit cards ("P-Cards") or direct payments shall be encouraged.

The chief financial officer of each campus is responsible for developing and maintaining policies, limits and procedures governing low-value purchase transactions where little or no value can be added by processing the transaction through standard procurement procedures. Such policies and procedures must reference the requirements of ICSUAM Policy 5250.00 Procurement Cards (University Liability Credit Cards). Campus practices shall ensure strong internal controls that mitigate procurement abuses, comply with Trustee policy, ensure observance of good business practices and provide appropriate checks and balances. Since procurement discretion may involve the application of the State's conflict of interest laws, attention shall be given to compliance with those laws in light of the potential impact that the exercise of procurement discretion may have on a personal financial interest.

The following policies shall be observed in administering low-value purchase authorization:

- A. Usage Controls - General procurement controls shall be instituted to:
 - 1. prohibit splitting of purchases to circumvent purchase limits;
 - 2. prohibit purchases of items determined by the campus to be inappropriate;
 - 3. prohibit the procurement of personal services, including consulting services;
 - 4. define role of the approving official to ensure that a cardholder's subordinate or peer is not designated as approving official. Approving officials shall not approve their own purchases;
 - 5. ensure duplicative payments do not occur; and
 - 6. ensure that leveraged purchasing agreements made available through established campus or system-wide channels shall take precedence when making low-value purchase transactions.
- B. Monitoring Activities that include the performance of periodic post-audits, to ensure compliance with the P-Card policies and low-value purchase procedures.
- C. Enforcement provisions that clearly identify sanctions for improper use of the P-Card. Such sanctions may include required reimbursement for personal charges including any applicable transaction fees, and suspension of P-Card privileges when warranted.
- D. Payment processing provisions - The processing of low-value purchase payments must include a complete review of the transaction and analysis of the monthly credit card charges if applicable. In support of the review, the campus departments shall be required to submit complete supporting documentation in a timely manner. The review shall include the following:
 - 1. Supervisor or management approval;
 - 2. A follow-up of disputed charges from the prior months;

3. A review of the completeness of the documentation supporting the monthly credit card invoice; and
 4. Clearance of outstanding delinquent invoices
- E. Provision for the return of P-Cards - Personnel clearing procedures must specifically include a final card reconciliation and return-of-card process.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: March 27, 2015

5206.00 | Limits on Competition

Effective Date: 5/22/2014 | **Revised Date:** 5/22/2014

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to limits on competitive contracting to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

It is the policy of the CSU to promote fair and open competition to the maximum extent possible. This policy prescribes the rules that apply when full and open competitive contracting in fulfillment of CSU requirements is not feasible.

100 Sole Brand and Sole Source Procurements

Sole brand and sole source are two procurement methods that limit competition. Any decision to limit competition may also have the effect of limiting the CSU's ability to minimize costs, negotiate favorable terms and conditions, and allow for alternate courses of action during disputes. These methods should be used only when it has been determined that a competitive procurement will not fulfill the requirements of the CSU.

Each sole source or sole brand request must include a written justification explaining why the sole source/brand is necessary to satisfy the needs of the CSU. It must demonstrate that the supplier holds a unique (no other sources have it) set of skills or expertise that make it impossible for anyone else to do the work or that the goods are not available from another source. The results of a non-public solicitation (solicited or unsolicited, verbal or written quotes without public advertising in the California State Contract Register - See ICSUAM Policy 5245.00) for the service and/or goods do not demonstrate the uniqueness of the service and/or brand of goods required.

The request must be approved as provided herein prior to the execution of the sole source/brand procurement. The justification shall include the following information.

1. The unique performance factors required;
2. Why these factors are required; and
3. What other source/brands have been considered or rejected and why.

Sole source or sole brand requests shall not be justified on the basis of:

1. A lack of advance planning;
2. Concerns related to the amount of funds available for the acquisition of the goods or services; or
3. A previously bid (publically bid or not) contract or purchase order for the same product or service.

The utilization of unnecessarily restrictive specifications or solicitation requirements in a competitive procurement for goods or services in such a manner as to limit, directly or indirectly, competition to a single brand or single source does not provide for full and open competition, regardless of the number of sources solicited, and is prohibited.

The use of "brand name or equal" is a competitive process that allows bidders to propose equivalent items and is permitted providing the justification for the rejection of items as "not equivalent" is documented and based on fair and equitable review.

200 Sole Brand Approval Requirements

Limiting competition to a sole brand is prohibited except in the following instances:

1. The sole brand product is unique and essential to the CSU's requirements, and the justification requirements of Section 100 have been fulfilled, or
2. The sole brand product is required to match other similar product already procured through a competitive process and the use of an alternate product would cause the CSU to incur substantial additional costs.

A sole brand procurement must be made via a competitive process. A sole brand available only from a single vendor is a sole source procurement subject to Sections 100 and 300 herein. The determination as to whether a procurement has been adequately justified for a sole brand award shall be made by the campus Procurement Director or higher authority.

300 Sole Source Approval Requirements

A sole source procurement made without appropriate competition is permitted only when a determination has been made and approved in writing that only one source exists for the required product or service.

Addition of new work that was not within the scope of or incidental to the original contract scope of work, either as part of the base contract or as an option, requires sole source justification and approval.

The sole source request must clearly demonstrate that there is only one source or only one supplier that can provide the goods or services to satisfy the requirements of the CSU, and the justification requirements of Section 100 have been fulfilled.

Before a contract or Purchase Order can be issued the determination as to whether a sole source procurement has been adequately justified in writing shall be made by the designated campus authority. Campus sole source requests for acquisitions \$100,000 or more must have written approval by a campus authority no lower than Vice President for Administration/Finance. All pertinent documentation for sole source procurements of \$250,000 or greater must be forwarded to Contract Services and Procurement at the Chancellor's Office for review and final written approval.

400 Exceptions to Competition Requirements

The following transactions are not required to be competitively bid and do not require sole source or sole brand justification or approval.

1. Emergency contracts which are necessary for the immediate preservation of the public health, welfare, or safety, or the protection of CSU property and programs (PCC § 1102, 10340(b)(1));
2. Contracts for the work or services of a state, local or federal agency, the University of California, a California community college, a foundation or auxiliary organization incorporated to support the CSU, or a Joint Powers Authority of which the CSU is a member (PCC §§ 10335(a), 10340(b)(3) GC § 11256);
3. Contracts solely for the purpose of obtaining expert witnesses for litigation (PCC § 10335.5(c)(3)); Contracts for legal defense, legal advice, or legal services by an attorney or the attorney's staff (PCC § 10335.5(c)(4)); Contracts for the express purpose of obtaining non-CSU legal counsel or obtaining expert witnesses for litigation (both of these must be submitted to the Office of General Counsel for approval);
4. Small Business/Disabled Veteran Business Enterprise (SB/DVBE) Option (GC § 14838.5; PCC §§ 10335.5(c)(6), 10340(b)(6)) (See ICSUAM policy 5215);
5. Contracts for the development, maintenance, administration, or use of licensing or proficiency testing examinations (PCC § 10340(b)(7));
6. Contracts for which only per diem and travel expenses are paid and there is no payment for services rendered;

7. Contracts with business entities operating Community Rehabilitation Program workshops as specified in ICSUAM Policy 5219.00;
8. Equipment maintenance contracts for which there is only one authorized or qualified source required by the equipment manufacturer for the preservation of equipment warranty;
9. Proprietary software maintenance, annual license renewals, and/or upgrade contracts;
10. Utilities contracts for which there is no competition because of sole authorization to provide service to the geographical area;
11. Public entertainment contracts for campus-sponsored fairs, expositions, exhibitions, plays and concerts;
12. Contracts for conference or meeting facilities, including room accommodations for conference attendees;
13. Educational materials and information access resources related to campus library services as specified in ICSUAM Policy 5303.00, Section 400;
14. General Services Administration (GSA) contracts in accordance with ICSUAM 5204.00;
15. California Department of General Services Leveraged Purchasing Agreements list on the web site: <http://www.dgs.ca.gov/pd/Programs/Leveraged.aspx>
16. Contract amendments for time extensions, with no additional dollars being added;
17. Contract amendments to exercise options that were part of the original contract or that were part of a previously approved amendment to the contract;
18. Contract amendments that are within the scope of or incidental to the original contract scope of work;
19. Contracts for professional examinations and memberships;
20. Contracts for goods or services produced by Prison Industry Authority;
21. Real property rentals or real property leases;
22. Proprietary subscriptions, publications, technical manuals (manuals, law books, etc.) or technical services related to publications;
23. Subscriptions or licenses to online academic or statutorily mandated content;
24. Rental of proprietary postage meters if they are interfaced and inter-membered with existing mailing equipment and there is only one authorized manufacturer's representative in the geographic area.

5208.00 | Multi-Year Contracts

Effective Date: 3/19/2001

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as it relates to the utilization of multi-year contracts.

POLICY STATEMENT

A contract for goods or services may be entered into for any period of time deemed to be in the best interests of the CSU provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation.

A multi-year contract is authorized when:

1. Estimated requirements cover the period of the contract and are reasonably firm and continuing;
2. Such a contract will serve the best interests of the CSU by encouraging effective competition or otherwise promoting economies in CSU procurement;
3. Contracts extending into future years must include a provision stating that continuation of the contract is subject to the appropriation of funds by the California Legislature; and
4. In developing multiyear contracts, consideration is given to the expected changes in the applicable price levels throughout the term of the contract.

5209.00 | Emergency Transactions

Effective Date: 3/12/2002

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to emergency transactions to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

When an emergency involving the public health, welfare or safety, or the protection of State property or programs requires the immediate issuance of a purchase order, standard agreement, or service order without a formal issuance of bid invitations, a statement regarding the nature of the emergency will be attached to the requisition, and be signed by both the requestor and the campus procurement officer. Such statement shall include an attestation that an immediate threat to the public health, welfare or safety or damage to State property exists.

5210.00 | Prohibited Practices

Effective Date: 3/3/2003 | **Revised Date:** 3/3/2003

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

100 Personal Use of Information

Unless specifically stated within the terms and conditions of an 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.

200 Deleted (Rev. 07/07/06)

300 Appropriation Of State Property Or Services (Rev. 03/12/02)

No CSU employee shall acquire any goods from the CSU, unless the goods are offered to the general public in the regular course of the CSU's business on the same terms and conditions as those applicable to the employee.

Misrepresentation to vendors or contractors that personal acquisitions are for the CSU when they are not, is prohibited and can result in prosecution for misrepresentation, embezzlement, and theft.

400 Conflict Of Interest (Rev. 01/01/06)

1. It is unlawful for any person to utilize any information, not a matter of public record, that is received by that person by reason of his or her employment by, or contractual relationship with, the Trustees, the California State University, or an auxiliary organization of the California State University, for personal pecuniary gain, not contemplated by the terms of the employment or contract, regardless of whether the person is or is not so employed or under contract at the time the gain is realized.
2. Consulting agreements must be in compliance with conflict of interest requirements as specified in Policy Section 412.10, Consulting Agreements.
3. No CSU employee may make or participate in the making of any decision in which the employee has a personal financial interest.
4. Employees designated in the CSU Conflict of Interest Code must disqualify themselves from making or participating in a decision which would have a material effect on a personal financial interest.
5. Employees designated in the CSU Conflict of Interest Code may not accept any gift of more than \$250 in any calendar year from any source which is disclosable in the CSU Conflict of Interest Code. In addition, such employees must disclose gifts totaling \$50 or more from any single source during any one reporting period for California Form 700, Statement of Economic Interest.

500 Commercial Endorsements Of Products Or Services (Rev. 04/02/07)

Officers and employees of the CSU, in their official capacities, are prohibited from endorsing any commercial product or service.

600 Misuse Of The Name "California State University"

The name "California State University" is the property of the State. No person shall use this name, or any abbreviation of it, or any name of which these words are a part, without the permission of the Trustees.

700 Restrictive Specifications (Rev. 04/28/08)

No campus shall draft or cause to be drafted, any specifications for solicitations that are unnecessarily restrictive in such a manner as to limit, directly or indirectly, the opportunity for contract award to any one firm.

800 Splitting Orders or Contracts (Rev. 04/28/08)

Splitting of purchases or contracts in order to avoid or circumvent legal or policy requirements, including but not limited to competitive solicitation requirements, is prohibited.

900 Advance Payments (Rev. 04/02/07)

Payment in arrears is the prescribed method of remitting payments for acquisitions. The CSU must have received appropriate return and/or in-kind value in order for consideration to be paid. Advance payments are permitted, whenever specifically authorized in law or determined to be in the best interest of the CSU.

1000 Prohibition of Labor Abuse (Rev. 10/05/07)

A. License Agreements

This policy shall apply to all licensing agreements with the California State University (CSU) or a CSU affiliated enterprise authorizing a licensee to manufacture products bearing the name, logo, or image of the CSU.

This policy shall include each contractor, subcontractor, vendor, or manufacturer that is engaged in a manufacturing process including assembly and packaging of a CSU licensed product. The CSU is opposed to any acts or omissions by a licensee that would constitute labor abuse. Officers and employees of the CSU and its auxiliary organizations will use their best efforts to ensure that licensees adhere to non-abusive labor practices, including the provision of safe and healthful working conditions.

B. Procurement Contracts

All CSU contracts for the procurement or laundering of apparel, garments or corresponding accessories or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, shall require the contractor to certify that it has maintained a "sweat-free" workplace in compliance with Public Contracts Code Section 6108 and that they adhere to the Sweatfree Code of Conduct as set forth by the California Department of Industrial Relations. A copy of the code is located at:

http://www.calstate.edu/business_community/

The certification requirement does not apply to a credit card purchase of goods of two thousand five hundred dollars (\$2,500) or less. The total amount of exemption authorized herein shall not exceed seven thousand five hundred dollars (\$7,500) per year for each company from which each campus is purchasing goods by credit card. It shall be the responsibility of each campus to monitor the use of this exemption and adhere to these restrictions on these purchases.

5211.00 | Internal Compliance Audits (Deleted 1/24/2014)

Effective Date: 3/3/2003 | **Revised Date:** 3/3/2003

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

At least once every five years the Trustees Internal Audit staff is required to perform audits of the activities of the CSU and its campuses. These activities include purchasing, contracting, leasing of CSU property, property management, and other support services generally under the direction of the Procurement and Support Services Officers. To ensure compliance with all applicable codes, regulations, and policies, the campus procurement officers and their staffs shall provide or make available to the auditors all local policies, procedures and descriptions of operating control mechanisms, and any files, documents, records, or reference materials, that may be requested during the course of these audits.

5212.00 | Protests, Disputes, and Complaints

Effective Date: 3/12/2002 | **Revised Date:** 3/12/2002

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to protests, disputes and complaints to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Campuses have final authority to resolve protests, disputes, and complaints arising from the solicitation, award, or performance of a contract; in all instances where a legal representative of the bidder, vendor, or contractor has initiated correspondence or formal action, campuses shall contact the Office of General Counsel prior to taking any action. Solicitation documents must contain provisions for the resolution of protests and disputes.

100 Protest of Solicitation Requirements

The solicitation document shall provide potential bidders with the opportunity to protest the specifications and/or requirements that the bidder feels may be unfair or unreasonable. Such protests must be submitted prior to the scheduled bid submittal deadline.

The campus shall within a reasonable period of time issue a decision to the bidder. The decision of the campus is final.

200 Protest of Contract Award - Formal Solicitations

Campuses are encouraged to develop protest procedures that emphasize transparency and that will provide firms, which submitted a proposal, with an understanding of the process with which their proposal will be evaluated.

Protest of contract awards may be limited to firms that submitted a proposal in response to CSU's solicitation and must be on the ground that the firm's proposal should have been selected in accordance with the selection criteria in the solicitation document. Once a firm expresses its intention to protest, the contract shall not be awarded until the protest has been withdrawn or a decision has been reached by the CSU.

A. Notification of Protest

A firm must express its intention to protest the award of a contract within the timeframe specified by the solicitation document. The time frame specified, usually no more than five (5) business days, must provide firms with a reasonable opportunity to make an initial determination to proceed with the protest and should take in to account factors such as the complexity of the project.

B. Detail Statement of Protest

Within ten (10) calendar days after expressing its intent to protest an award of a contract, the protesting firm must submit a full and complete written statement specifying the grounds of the protest and the facts in support thereof. Authority to protest may be limited to participating bidders.

C. Review of Protest

An impartial evaluator(s) selected by the campus shall perform a review of the protest. Selection of the evaluator shall be at the discretion of the campus. The evaluator(s) shall review the merits and timeliness of the protest and submit a decision in writing within a reasonable period of time following receipt of the detailed statement of protest. The campus shall issue a decision in writing or otherwise furnish to the protesting firm the decision in such a manner as to ensure receipt. The decision of the campus is final.

300 Disputes Subsequent to Award

Disputes subsequent to award may include, but not be limited to, contention over terms, pricing, payment, scope and/or deliverables. A dispute resolution and escalation clause, describing resolution procedures and the appropriate parties to which the matter may be escalated, shall be included in solicitation documents and contracts, as applicable.

5213.00 | Vendor Records

Effective Date: 4/1/2014

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as related to the management of vendor records.

POLICY STATEMENT

The campus procurement office must maintain files on all active solicitations and contracts for products & services that are likely to be requested for the purpose of conducting CSU business and for carrying out its educational mission.

100 Vendor Data Record

A completed Vendor Data Record (California Department of General Services Standard Form 204 used as a model of the required data elements) must be obtained whenever the CSU engages in a transaction that leads to a payment to any individual or any entity that is not a governmental entity. Data shall be submitted in an original form or via electronic means.

200 Exclusion of Vendors or Contractors from Bidding

A vendor or contractor may be removed or suspended from a campus's list of potential bidders and be prohibited from participating in any of the campus's bid processes if there has been a failure, without good cause, to perform in accordance with the terms of a past contract with a CSU campus or with any other governmental entity. A vendor or contractor may also be removed or suspended if its performance with respect to a previously awarded purchase order or contract has been unsatisfactory. Such exclusion must remain in effect for at least 90 days after the unsatisfactory performance has been recorded, but shall not exceed a period of 360 calendar days in duration. A vendor or contractor excluded from bidding shall be relieved of the prohibition at any time after the 90-day minimum period, upon demonstrating to the campus's satisfaction that the problems which resulted in the removal or suspension have been corrected.

300 Contractor Identification Number

Each contractor that enters into a contract with a CSU campus for ten thousand dollars (\$10,000) or more shall be assigned an identification number by the president of that CSU campus. Each contractor that has been assigned a number shall list it on each contract the contractor enters into with the CSU campus, regardless of the amount of the contract. In the case of a corporation or firm, the president's assigned number shall be used exclusively on each contract with that president's campus. The assigned number shall remain unchanged regardless of future name changes.

In order for the Trustees of the CSU to track the identification numbers centrally each campus shall, when requested, provide a report of the contractor assigned numbers to the CSU Office of the Chancellor.

5214.00 | Tax-Exempt Financed Acquisitions

Effective Date: 3/12/2002

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to tax-exempt financed acquisitions to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Acquisitions that involve tax-exempt provisions (lease/purchase or installment payment agreements) must follow all of the general rules and principles of procurement as stated in ICSUAM 5000 Series policies.

Such acquisitions are also subject to additional requirements which assure compliance with federal tax code provisions. Financed acquisitions are identified as tax-exempt whenever the seller/lessor or third party financier intends to claim the interest portion of its proceeds as exempt from federal income tax.

Procedural questions for developing such transactions can be directed to the Contract Services and Procurement Department (CS&P) at the Chancellor's Office. Helpful information for the development of contracts that provide for a financed tax-exempt acquisition can be found on the [CS&P Internet website](#).

Fully developed contracts or purchase orders containing the tax-exempt provisions must be submitted, along with all their related financial documentation, to the Finance and Treasury at the Chancellor's Office for review and approval prior to execution.

The Chancellor's Office shall be responsible for maintaining records to ensure that financiers who issue tax-exempt obligations on behalf of the CSU comply with federal tax reporting obligations. The Chancellor's Office shall also maintain pre-negotiated terms and conditions with selected financiers, provide model agreements, and coordinate efforts to obtain legal counsel on tax-exempt.

5215.00 | Disabled Veteran Business Enterprise (DVBE) Participation Goals

Effective Date: 10/3/2014 | **Revised Date:** 10/3/2014

POLICY OBJECTIVE

To establish systemwide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

100 Definition of a DVBE

For the purposes of this policy, a Disabled Veteran Business Enterprise (DVBE) is defined as a business certified as such by the California Department of General Services (DGS).

200 DVBE Goal

The Disabled Veteran Business Enterprise (DVBE) Participation Program was established to acknowledge disabled veterans for their service and to further DVBE participation in state contracting, promote competition and encourage greater economic opportunity.

The state established a DVBE contracting participation goal of at least three percent (3%). The goal applies to the total contract dollars expended each year by all campuses. This includes all contracts, purchase orders, and procurement card orders.

300 Requirements

Disabled Veteran (DVBE) Advocate: The CSU has established, within the Chancellor's Office Department of Contracts and Procurement a DVBE Advocate and at each campus a DVBE Coordinator, consistent with the provisions of 999.12 of the Military and Veterans Code, to do all of the following:

- Assist certified DVBE firms to participate in the agency's contracting process.
- Assist contract officers in seeking DVBE firms to participate in the agency's contract and procurement activities.
- Disseminate information to the agency's contracts and procurement office: e.g. New policies, procedures, laws. SB/DVBE bid procedures;
- Serve as an advocate for the DVBE firms that are utilized as the agency's contractors or subcontractors.
- Report to the Office of Small Business and DVBE Services (OSDS) regarding any violation of this article.
- Coordinate with the state DVBE advocate at the Department of Veterans Affairs in an effort to meet the statewide 3 percent goal provided for in section 999 of the Military and Veterans Code.

In addition to the above program responsibilities, the DVBE advocate, Campus DVBE Coordinator, or designee has the following responsibilities:

- Determine if and when the level of DVBE participation for individual solicitation should be greater than 3%.
- Evaluate the participation compliance in proposals and bids, including verification of DVBE certifications.
- Determine if a commercially useful function (CUF) is being provided by all DVBE primes and subcontractors.
- Evaluate requests for DVBE waivers for solicitations.

The DVBE participation requirement applies to all advertised competitive solicitations regardless of the solicitation format (RFQ, IFB, RFP) or dollar value. Bidders must document their compliance with the DVBE program requirements.

In the effort to reach or exceed the annual DVBE goal, campuses may specify an amount of DVBE participation greater than 3% for an individual solicitation.

If 1) the DVBE requirement is waived, or 2) the DVBE requirement is reduced, or 3) the incentive or other portion of the standard DVBE solicitation requirement is not included in a bid, then a completed and approved waiver form shall be included in the solicitation file, justifying the change.

400 DVBE Incentive

The DVBE Incentive is required as part of the standard DVBE solicitation language unless waived. Bidders may receive an incentive for exceeding the 3% participation requirement. Campuses have the ability to determine the level of DVBE incentive they will offer for corresponding levels of participation, i.e., the more DVBE participation they propose, the higher the incentive. This information must be included in the solicitation. The minimum incentive level a qualifying bidder can receive is 1%. The combination of all preferences (i.e., TACPA, SB, Recycled Products) with a DVBE incentive cannot exceed 10% or \$100,000, whichever is less. A non-small business cannot displace a California certified small business from the top-ranked position because of application of the above preferences or DVBE incentive.

The DVBE incentive is a method that provides an advantage to certain bidders. The incentive is applied during the evaluation process for bids proposing participation of California certified DVBEs. The application of an incentive varies from that of a preference both in when it is incorporated into competitive solicitations and how incentive percentages are determined and calculated. Unlike preferences in which the inclusion is standardized in competitive solicitations and a standard percentage is stipulated, discretion is left to campuses to determine incentive percentages for a particular transaction based upon a business strategy to achieve their overall annual goal.

500 SB/DVBE Option

A campus may award a contract for the acquisition of goods, services or information technology that has an estimated value of less than \$250,000, without advertising, to a certified small business or disabled veteran business enterprise, as long as the campus obtains price quotations from two or more certified small business or two or more disabled veteran business enterprises as referenced in Government Code Section 14838.5.

For construction contracts, as covered in ICSUAM 9000, campuses may award a contract that has an estimated value of less than \$270,000, the cost limit as identified in Public Contract Code Section 10105, without advertising, to a certified small business, including a micro-business, or to a disabled veteran business enterprise, as long as written bids are obtained from two or more certified small businesses, including micro-businesses, or from two or more disabled veteran business enterprises. In implementing this provision, the Trustees shall consider a responsive offer timely received from a responsible certified small business, including a micro-business, or from a disabled veteran business enterprise as referenced in Government Code Section 14838.7 (The high-end cost limits as identified above are periodically adjusted by the CA Dept. of Finance.)

Campuses shall include a justification in the solicitation file whenever the DVBE requirement or incentive is waived or reduced.

600 Reporting

Activity reports shall be prepared and submitted annually by each campus to the Department of General Services. A copy of activity reports shall be sent to the Chancellor's Office, Department of Contract Services and Procurement in order to consolidate activity for the CSU system. Campuses shall submit reports in accordance with due dates specified at <http://www.calstate.edu/CSP/reports.shtml>.

5216.00 | Small and Micro Businesses

Effective Date: 10/3/2014 | **Revised Date:** 10/3/2014

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as it is related to Small and Micro Business goals, utilization and reporting.

POLICY STATEMENT

100 Definitions

101 Small Business

For the purposes of this policy, a small business is defined as a business certified as such by the California Department of General Services (DGS).

102 Micro-Business

For the purposes of this policy, a micro-business is defined as a business certified as such by the California Department of General Services (DGS).

For the purposes of this policy, small and micro businesses shall be collectively referred to as "small businesses."

200 Small Business Goal

The CSU supports the spirit of the Legislature's declaration as set forth in the Small Business Procurement and Contracts Act (G.C. 14835 et seq.) and supports those goals established by the Office of Small Business and DVBE Services (OSDS), for the extent of participation of small businesses, including micro-businesses, in the provision of goods, information technology, and services to the state, and in the construction of state facilities.

To provide small businesses an opportunity to request preference, the Small Business Preference Form or an equivalent advisory statement shall be included in all bid solicitations for the procurement of goods and for service agreements. Evidence of certification by OSDS (usually via copy of the OSDS approval letter or referenced certification number) is required from bidder in order for a bid preference to be granted.

300 Requirements

CSU has established a Small Business Advocate within the Chancellor's Office, Contract Services & Procurement department. The Small Business Advocate is the single point of contact for small businesses and shall:

- Make information regarding pending solicitation available to, and consider offers from, California small business suppliers capable of meeting the CSU's business needs, and who have registered with the state for this purpose.
- Ensure prompt payment to small businesses

Each campus shall appoint a small business coordinator to facilitate the Small Business Advocate and perform the following duties:

- Make information regarding pending solicitations available to, and consider offers from, certified California small business suppliers capable of meeting the CSU's business needs, and who have registered with the state for this purpose.
- Ensure prompt payment to small businesses.
- Consider small businesses under the California Multiple Award Schedule (CMAS) prior to placing an order.

- Identify and implement innovative acquisition processes to further small business participation.
- Give special consideration to small businesses and micro businesses by reducing experience requirements and level of inventory normally required.

The awarding department may, on contracts with an estimated cost which exceeds \$300,000.00, give special assistance to small businesses and micro businesses in the preparation and submission of financial ability and experience in performing public works.

The State is required to aid, counsel, assist, and protect, to the maximum extent possible, the interests of small business concerns in order to preserve free competitive enterprise and ensure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the State be placed with such enterprises.

400 Small Business Preference

To provide small businesses an opportunity to request preference, the Small Business Preference Form or an equivalent advisory statement shall be included in all bid solicitations for the procurement of goods and for service agreements. Evidence of certification by OSDS is required from bidder in order for a bid preference to be granted. All certified small businesses may elect to apply a 5% percent bidder's preference that shall not exceed \$50,000.00 in accordance with Government Code 14835 et seq.

500 SB/DVBE Option

A campus may award a contract for the acquisition of goods, services or information technology that has an estimated value of less than \$250,000 to a certified small business or disabled veteran business enterprise without advertising as long as the campus obtains price quotations from two or more certified small business or two or more disabled veteran business enterprises as referenced in Government Code Section 14838.5.

For construction contracts, campuses may award a contract that has an estimated value of less than \$270,000, the cost limit as identified in Public Contract Code Section 10105, to a certified small business, including a micro-business, or to a disabled veteran business enterprise, without advertising as long as written bids are obtained from two or more certified small businesses, including micro-businesses, or from two or more disabled veteran business enterprises. In implementing this provision, the Trustees shall consider a responsive offer timely received from a responsible certified small business, including a micro-business, or from a disabled veteran business enterprise as referenced in Government Code Section 14838.7 (The high-end cost limits as identified above are periodically adjusted by the CA Dept. of Finance.)

600 Reporting

In order to comply with the requirements of the Small Business Procurement and Contract Act, the CSU must report to the OSDS annually on the number and amount of contracts and purchase orders awarded to small businesses.

Campuses shall submit to the Office of the Chancellor annual Small Business & DVBE reports in accordance with due dates specified at <http://www.calstate.edu/CSP/reports.shtml>.

5217.00 | Target Area Contract Preference Act (TACPA)

Effective Date: 4/28/2008 | **Revised Date:** 4/28/2008

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to the Target Area Contract Preference Act (TACPA) to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

It is the policy of the CSU to grant preference to California-based companies submitting bids or proposals to the State for goods to be produced or services performed at worksites in distressed (as defined in Government Code 4532) areas by persons with a high risk of unemployment when the contract is for goods or services in excess of \$100,000. The 5% preference is applicable only to contracts awarded on the basis of lowest responsible bidder meeting specifications.

- INACTIVE HISTORICAL POLICY -

5218.00 | Enterprise Zone Act (EZA) (Deleted 7/9/2014)

Effective Date: 3/3/2003 | **Revised Date:** 3/3/2003

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

Business may be granted preferences when bidding on state contracts of \$100,000 or more for goods and services (excludes construction contracts) if the business site is located within one of 34 "Enterprise Zones" located throughout California, as designated by the California State Trade and Commerce Agency. Enterprise Zones are designated to encourage job-producing business development in designated sections of cities or counties. A 5% preference is applicable only to contracts awarded on the basis of lowest responsible bidder meeting specifications.

5219.00 | Community Rehabilitation Programs and Workshops

Effective Date: 3/3/2003 | **Revised Date:** 3/3/2003

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to community rehabilitation programs and workshops to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

It is the policy of the CSU that campuses may acquire commodities and services from a public or private nonprofit California corporation operating a community rehabilitation program or workshop serving persons with disabilities (including blindness) without posting a public notice or soliciting competitive bids, provided that the acquisitions are documented to meet specified needs of the campus, are obtained at a fair market price, and are made convenient to the campus to obtain. Such acquisitions must be accompanied by a signed certification that the program is qualified under the provisions of Welfare and Institutions Code Sections 19403 and 19404.

5220.00 | Non-Discrimination

Effective Date: 1/6/2006 | **Revised Date:** 1/6/2006

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to obtaining certification from vendors to ensure procurement and contracting activities are in compliance with non-discrimination laws.

POLICY STATEMENT

All contracts of \$5,000 or more must contain a condition stating that the contractor, by signing the contract, certifies under penalty of perjury that the non-discrimination requirements of Government Code Section 12990 et seq. have been met, unless exempted under Title 2, Section 11111 of the California Code of Regulations. These are requirements that must be met by all vendors or contractors who wish to do business with the State.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: January 1, 2006

5221.00 | National Labor Relations Board (NLRB) Compliance

Effective Date: 1/6/2006 | **Revised Date:** 1/6/2006

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to the National Labor Relations Board to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

All CSU contracts must contain a condition stating that the contractor, by signing the contract, certifies under penalty of perjury that contractor has not violated the provisions of Public Contract Code section 10296 regarding the issuance of orders by the National Labor Relations Board (NLRB).

The certification requirement does not apply to a credit card purchase of goods of two thousand five hundred dollars (\$2,500) or less. The total amount of exemption authorized herein shall not exceed seven thousand five hundred dollars (\$7,500) per year for each company from which each campus is purchasing goods by credit card. It shall be the responsibility of each campus to monitor the use of this exemption and adhere to these restrictions on these purchases.

5222.00 | Audit of Contract

Effective Date: 1/29/1999 | **Revised Date:** 1/29/1999

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to the audit of contracts to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

A notification to the contractor is required on all contracts exceeding \$10,000 that such contracts are subject to an audit of the Office of the University Auditor and State Auditor for a period of three years after final payment has been made.

5223.00 | Drug-Free Workplace Certification

Effective Date: 1/1/2006 | **Revised Date:** 1/1/2006

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to Drug-Free Workplace Certification to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

State contractors and recipients of State grants are required to maintain a "drug-free workplace." A campus may suspend payments under a contract or grant or terminate the contract or grant, or both, if a contractor or grantee has failed to comply with the legal requirements contained in Government Code Sections 8355, 8356, and 8357.

Every person or organization awarded a contract for the procurement of any goods or services, including Information Technology goods and services, shall certify that it will provide a drug-free workplace in accordance with Government Code 8355.

The certification requirement does not apply to a credit card purchase of goods of two thousand five hundred dollars (\$2,500) or less. The total amount of exemption authorized herein shall not exceed seven thousand five hundred dollars (\$7,500) per year for each company from which each campus is purchasing goods by credit card. It shall be the responsibility of each campus to monitor the use of this exemption and adhere to these restrictions on these purchases.

5224.00 | Prison Industry Authority

Effective Date: 10/20/2004 | **Revised Date:** 10/20/2004

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to the Prison Industry Authority (PIA) to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Campuses are encouraged to procure any available goods or services produced by the Prison Industry Authority (PIA). A campus may contract, without competition, with PIA for goods and services; whenever it is determined that PIA can provide the best value for the CSU.

5225.00 | Use of the State Department of General Services

Effective Date: 3/3/2003

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to the use of the State Department of General Services (DGS) to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

The Department of General Services (DGS) offers a variety of services that are available to all State agencies, including the CSU. Chaptered legislation specifies that:

"If the California State University (CSU) determines that greater efficiency would be served by contracting with the Department of General Services (DGS) or another department or agency of the State for the performance of any service or function, the DGS or other department or agency shall contract with the CSU to perform the service or function."

5226.00 | Use of Electronic Transmission in Bids

Effective Date: 4/2/2007 | **Revised Date:** 4/2/2007

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to the use of electronic transmission of bidding documents to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Campuses may utilize electronic transmission to perform, but are not limited to, the following:

- Enter into contracts;
- Issuance of solicitation documents and receipts of responses thereto;
- Communications with contractors, bidders and prospective bidders.

Appropriate security measures should be instituted to protect the confidentiality of the transmission when necessary. If sealed bid requirements are applicable, the electronic transmission method used must provide for the verification of the bid submittal time and date and the time and date that the bid was opened.

Security and verification requirements notwithstanding, electronic transmissions include, but are not limited to, email, telefax, electronic data interchange and Internet.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: April 2, 2007

5227.00 | Direct Payments

Effective Date: 3/3/2003 | **Revised Date:** 3/3/2003

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to direct payments to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Direct payments may be made for those types of commitments/obligations for which little or no value can be added by processing the transaction through the standard procurement procedures. Campuses are responsible for establishing local policies which identify types and dollar thresholds for transactions authorized for direct payments and associated procedures for exception processing. Examples of direct payments may include but are not limited to public utilities, room rentals, rebates & reimbursements, books, subscriptions, publications, registration fees, and membership dues.

5228.00 | Accessibility of Public Solicitations and Acquisition of Electronic and Information Technology (E&IT) Goods and Services

Effective Date: 9/25/2015

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to the accessibility of solicitations and the acquisition of Electronic and Information Technology (E&IT) goods and services to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

It is the policy of the CSU that all Electronic and Information Technology (E&IT) acquisitions made by the CSU adhere to the applicable CSU Executive Order(s) and CSU Coded Memorandum(s) which are developed to assure CSU compliance with the regulations and guidelines issued pursuant to the ADA and Sections 504 and 508 of the Rehabilitation Act of 1973 so as not to deny persons with disabilities the opportunity to participate in University programs, services and activities. Campuses are to develop and maintain procedures to implement this policy.

100 General Requirements for Accessibility

Each campus shall acquire products that comply with applicable Section 508 standards when such products are available in the commercial marketplace. The most accessible product that meets Section 508 standards, meets functional and business requirements, and complies with other applicable procurement policies and regulations must be procured.

Exceptions to meeting Section 508 standards may be applicable for certain E&IT acquisitions. Such exceptions as defined in the law are to be used with caution and only when all criteria have been met. For any E&IT acquisition that qualifies for an exception to Section 508 standards, alternative access shall be provided for persons with disabilities in a timely and equally effective manner as required by Title II of the ADA and Section 504 of the Rehabilitation Act. Campuses shall document the means by which allowable exceptions are reviewed and granted. (Refer to Resources and Reference Materials - Exceptions to Section 508 Standards.)

200 Contract Provision Requirement

Contracts for the acquisition of E&IT products shall include the following statement:

"Contractor warrants that it complies with California and federal disabilities laws and regulations. Contractor hereby warrants that the products or services to be provided under this contract comply with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, Part 1194. Contractor agrees to promptly respond to and resolve any complaint regarding accessibility of its products or services. Contractor further agrees to indemnify and hold harmless the CSU from any claims arising out of its failure to comply with the aforesaid requirements. Failure to comply with these requirements shall constitute a material breach and be grounds for termination of this Contract."

300 Public Solicitations

Any public solicitation process developed by campuses shall be compliant with applicable regulations and guidelines issued pursuant to the ADA, Sections 504 and 508 of the Rehabilitation Act of 1973, and California Government Code 11135 so as not to deny persons with disabilities the opportunity to participate in the competition for the contract award.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: September 25, 2015

5229.00 | Child Support Compliance Act

Effective Date: 1/29/1999 | **Revised Date:** 1/29/1999

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to child and family support obligations and enforcement to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

It is the policy of the State of California that anyone who enters into a contract with a state agency shall recognize the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code.

Any contract in excess of \$100,000 must include the General Provision Clause entitled Child Support Compliance Act.

5231.00 | Ethnicity, Race, Gender and Sexual Orientation Business Enterprises Participation Contract Requirements

Effective Date: 5/1/2014 | **Revised Date:** 5/1/2014

POLICY OBJECTIVE

To establish system wide contracting and procurement policy related to ethnicity, race, gender and sexual orientation business enterprises participation, tracking and reporting requirements.

POLICY STATEMENT

The CSU shall report to the Governor and Legislature on the level of participation of business enterprises, by race, ethnicity, gender and sexual orientation of owner, in contracts as identified.

100 Requirements

Campuses shall collect the voluntary information prescribed on the "Voluntary Statistical Data" form on all procurement transactions specified in Section 300 Reporting. The data collected shall be compiled on a fiscal year basis and reported to the Office of the Chancellor.

200 Special Conditions

Awarding departments are prohibited from using the data compiled under this policy to discriminate or provide a preference in the awarding of any contracts. Contractors are prohibited from using the information compiled under this policy to discriminate or provide a preference in the solicitation or acceptance of bids for subcontracting, or for materials or equipment, on the basis of race, color, gender, sexual orientation, ethnic origin, or ancestry.

300 Reporting

In order to comply with the requirements of the code, the report shall contain the levels of participation of business enterprises, by race, ethnicity, gender and sexual orientation of owner, for the following categories of contracts:

- Construction.
- Purchases of materials, supplies, or equipment.
- Professional services.
- All contracts for a dollar amount of less than twenty-five thousand dollars (\$25,000).

Campus shall submit the Ethnicity, Race, Gender, Sexual Orientation (ERGSO) Report to the Office of the Chancellor in accordance with due dates specified on the CSU Contract Services and Procurement Policy Reporting Requirements Schedule.

5232.00 | Expatriate Corporations

Effective Date: 1/1/2006 | **Revised Date:** 1/1/2006

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to contracting with expatriate corporations to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

The California Taxpayer and Shareholder Protection Act of 2003 defines an expatriate corporation for the purposes of this law (PCC 10286) and policy and prohibits state agencies from entering into any contract with such a corporation or its subsidiary unless certain conditions are met. In compliance with California Taxpayer and Shareholder Protection Act of 2003, as a condition of contracting with the CSU, all vendors must submit a declaration stating that the vendor is eligible to contract with the CSU pursuant to the California Taxpayer and Shareholder Protection Act of 2003. A campus may contract with an expatriate corporation or one of its subsidiaries when it necessary to meet a "compelling public interest".

Some instances where contracting with one of these entities might rise to the need of a compelling public interest would be when there is a need for a non-competitive procurement for proprietary equipment, or a contract for service or maintenance of proprietary equipment already installed or manufactured by the expatriate corporation and where replacements or service are unavailable from another, non-prohibited source. These justifications are in addition to what would be considered a traditional compelling public need to ensure the provision of essential services, to ensure the public health and safety, or an emergency as defined in Public Contract Code section 1102. These examples are not exhaustive but are provided as an example.

The declaration requirement does not apply to a credit card purchase of goods of two thousand five hundred dollars (\$2,500) or less. The total amount of exemption authorized herein shall not exceed seven thousand five hundred dollars (\$7,500) per year for each company from which each campus is purchasing goods by credit card. It shall be the responsibility of each campus to monitor the use of this exemption and adhere to these restrictions on these purchases.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: January 1, 2006

5233.00 | Risk Allocation and Performance Assurance

Effective Date: 4/20/2004

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to risk allocation and performance assurance to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Contracts should be formed to insure the fair and reasonable allocation of risk and to assure satisfactory performance by the contractor. Such risks include unanticipated events which substantially increase the cost or time for completion or make performance impossible.

Risk mitigation should be addressed when planning procurements and during contract formation. Risks may be allocated by the contract general provisions as well as the parameters that define successful contract performance. Each contract should be reviewed to determine the proper contract provisions to mitigate CSU risks. Standard clauses expressly provide the rights and remedies for the CSU should various contingencies occur or if conditions are not as expected or represented. Substantive changes to the standard General Provisions or acceptance of contractor's contract terms should be done with care and, if necessary, include review by CSU legal counsel.

The requirements for successful contract performance should be clearly defined within the contract documents. Risks to the CSU may be reduced by the proper selection of contract type along with performance specifications that define and require successful completion of the contract work. One type of completion contract is the Firm Fixed Price contract. Under a Firm Fixed Price contract the contractor has full responsibility for the successful delivery of goods and/or completion of services at a set total contract price. The contractor is also responsible for the associated performance costs and the resulting profit or loss.

As opposed to a completion type contract, a level of effort type contract increases the allocation of risk for the CSU and should be used only when a completion type contract is not appropriate. One type of level of effort contract is the Time and Materials contract. Under a Time and Materials contract, performance is based on a description of the work required in terms of the level of effort to be expended by the contractor. In this type of contract, the contractor receives the compensation upon expenditure of the required hours of effort regardless of whether the anticipated work is completed. As a result, Time and Materials contracts may not protect the CSU from cost overruns since contract value is not keyed to completion of specific deliverables. Regardless of the contract type, all contracts should clearly state the maximum amount payable for performance under the contract.

5235.00 | CSU Buy Recycled Products Campaign

Effective Date: 7/7/2006 | **Revised Date:** 12/14/2011

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to buying recycled products to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Campuses shall establish purchasing practices that assure, to the maximum extent economically feasible, the purchase of materials, goods, and supplies that are recycled or have recycled material within their content. Fitness and quality being equal, purchase preference shall be given to recycled products whenever such products are available and the cost of such products is no greater than that of their non-recycled counterparts. The detailed requirements of the Buy Recycle Campaign are established by the State.

Campus responsibilities:

1. Purchase Recycled Content Products (RCP) instead of non-Recycled Content Products (RCP) if fitness and quality are equal and the RCP is available at no more than the total cost of the non-RCP. However, campus procurement officers shall allow a price preference for recycled paper and tire derived products.
2. Require all contractors to certify the recycled content of all RCP purchased. For all products, contractors shall be required to certify in writing the minimum percentage, if not the exact percentage, of post-consumer material in the materials, goods, (or supplies) provided or used. This certification shall be furnished under penalty of perjury.
3. Attain the RCP procurement mandates. Campus procurement offices shall strive to meet or exceed the legislative goals and timetables prescribed by the California legislature for the acquisition of recycled products.
4. Submit Buy Recycle procurement reports annually. Campus shall submit to the Office of the Chancellor Buy Recycled reports in accordance with due dates specified on the CSU Contract Services and Procurement Policy Reporting Requirements Schedule.
5. Establish purchasing practices that ensure the purchase of materials, goods, and supplies that may be recycled or reused when discarded.

5240.00 | Standard Contracting Forms

Effective Date: 4/28/2008

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to standard contracting forms to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

There are standard CSU contracting forms available for use by a campus for a variety of functional applications. Campuses should review the appropriateness of each form prior to use and should consult with their CSU-assigned representative from the Office of General Counsel prior to any deletions, additions, or significant variations from the format or content of a standard form developed and approved for systemwide use.

100 Standard Terms and Conditions

It is the campus's responsibility to include, in each contract, terms and conditions necessary to protect the interests of the CSU, comply with applicable laws, reasonably mitigate risks and provide best value to the CSU. Standard terms and conditions have been developed for campus use and are available at:

<http://www.calstate.edu/CSP/crl/GP/GP.shtml>

While the standard terms and conditions may be used for many contracts without modification, it may be necessary to add, delete or modify the terms and conditions for a specific contract to convey a clear understanding of each party's expected role, its obligations, and the parameters in which the activities must be carried out, under the contract.

5245.00 | Advertising in the California State Contracts Register (CSCR)

Effective Date: 2/18/2014

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to California State Contracts Register (CSCR) to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

It is the policy of the CSU to advertise in the CSCR to every extent possible. Contract advertisements may be submitted electronically at this website: <http://www.dgs.ca.gov/pd/programs/eprocare.aspx>.

Each campus Procurement Officer may establish procedures and criteria for exemptions to the requirements for advertising solicitations in the CSCR that are set forth in ICSUAM Policy 5000 Series. Any exemptions established must require the Procurement Officer's determination that the State's best interests would be served better by not advertising in the CSCR.

In addition to an exemption based upon a campus determination that its best interests would be better served without advertising in the CSCR, the following contracts are exempt from publication in the CSCR.

1. Emergency contracts necessary for the immediate preservation of life or State property.
2. Contracts for the work or services of a State, local, or federal agency.
3. Services for which the State has entered into a master service contract.
4. Refuse and/or sewage disposal contracts where there is no competition because the contractor is an authorized franchise dealer that provides services to a specific geographical area.
5. Contracts for medical care services with physicians, local community hospitals, and medical groups (This does not include offsite laboratory services.)
6. Subvention contracts (non-discretionary grants) with a private or nonprofit entity for the purpose of providing services to the public or segments thereof.
7. Maintenance agreements for equipment that is under warranty or while the guaranteed useful life period is in effect, or agreements where the campus has determined that a local distributor or branch is the only source for parts and service.
8. Proprietary software contracts.
9. Leases or rentals for use as examination sites.
10. Entertainment contracts for State-sponsored fairs and expositions.
11. Contracts for which only per diem and travel expenses are paid and there is no payment for service rendered.
12. Contracts solely for the purpose of obtaining expert witnesses for litigation.
13. Contracts for legal defense, legal advice, or legal service.
14. Contracts with business entities operating handicapped workshops that meet the criteria established by Section 19404 of the Welfare and Institutions Code.
15. Contracts for architectural or engineering services.
16. Contracts not subject to competition requirements.
17. Contracts that have been exempted from CSCR advertisement by DGS.
18. Contracts subject to ICSUAM 5501 Solicitation Thresholds for ITR Goods and Services Sections 100, 200 and 300.

5250.00 | Procurement Cards (University Liability Credit Cards)

Effective Date: 8/7/2014 | **Revised Date:** 8/7/2014

POLICY OBJECTIVE

It is the policy of the CSU that procurement cards be used to improve the efficiency, flexibility and convenience related to purchasing, and paying for goods and certain approved services. Campuses must prepare written policies, limits and procedures that implement this policy.

Auxiliary Organizations that participate in the systemwide procurement card program are subject to this policy.

POLICY STATEMENT

Procurement cards provide an alternative procurement method of effecting purchases without the direct involvement of the procurement offices. A procurement card is a university liability credit card that may be used for certain business related purchases. Procurement cards provide benefits that include:

- Streamlines the processes for small dollar orders, reduces invoices and payments;
- Enables employees to be more efficient and focus on their core missions;
- Reduce paperwork and processing time in the employee's department as well as Procurement and Accounting;
- Provides cost savings through consolidated payments to the procurement card company; and
- Enables faster payments to CSU vendors.

A single system-wide procurement card contract and related program will be administered by the Chancellor's Office department of Contract Services and Procurement.

This policy shall be fully implemented by CSU locations by June 30, 2015.

100 General

As a large public institution, the CSU is held to a high degree of public scrutiny and accountability for its business practices. In operating a procurement card program every reasonable effort must be made to ensure that the program and card use is managed in a manner consistent with the CSU mission, CSU and campus policy, applicable laws, ethical and risk reduction practices.

200 Authority and Responsibilities

The authority to set and enforce purchasing card policies and procedures lays with the procurement card Administrator and his or her campus management. Campuses must designate a single procurement card Administrator responsible for the campus procurement card program. Campuses must also create and maintain a procurement card operations manual specific to their campus. The content of a procurement card operations manual must minimally include the limitations and program requirements established in this policy and the specific responsibilities of the Cardholder and Approver as provided below.

General Program Requirements

- The CSU procurement card provider has several procurement card programs available for use by CSU campuses. All of these programs have two similar attributes; the transactions are all conveyed across a commercial credit card network and the CSU is responsible for payment of all undisputed charges made to each account.
- For the purposes of this policy, *virtual, ghost, department, fleet, procurement* or *travel card* accounts (and others with the above two attributes) shall have the same treatment in this policy as any other credit card product issued by the CSU procurement card contracted bank.
- The use of procurement cards cannot avoid or circumvent any CSU or campus policies or limits. Procurement cards are to be used within the same statutes, rules, limits, policies, and procedures as purchases using any other means of payment.
- Procurement cards may only be used for approved CSU expenditures. The use of a procurement card for any form of personal purchases (regardless of any intent to repay the CSU for a purchase) is expressly forbidden, with misuse leading to employee disciplinary actions.

- The procurement card program may also include the use in procuring travel related goods and services. All travel use of the procurement card will be governed by this policy, the CSU system wide Travel Policy and all campus specific travel policies and procedures.
- Campuses must train Cardholders in related procurement and procurement card policy and procedures, and actively monitor the acceptable use of issued procurement cards.
- Campuses shall train designated Approvers in related procurement and procurement card policy and the specific responsibilities and procedures of being an Approver.
- Campuses shall establish and adjust procurement card spending limits reasonably consistent with the anticipated expenditures of the individual Cardholder. Setting reasonable procurement card spending limits reduces the financial exposure of the CSU.
- Cardholders must sign documentation that specifically acknowledges agreement to comply with the policy and procedures established by each campus, the procurement card issuing bank and conditions for return of the card. Cardholders must also sign a document serving as confirmation that campus training was provided on applicable policies, procedures and acceptable use.
- Campus payment(s) to the Procurement Card issuing bank for completed procurement card transactions must be made on a weekly basis prior to the closing of a monthly transaction cycle to take advantage of financial benefits related to the Procurement Card contract. Note: the payment frequency stipulated is subject to change based on the fluctuation of current interest rates to ensure the maximum benefit of the rate of return.

Cardholder Responsibilities

The role of a Cardholder is to make purchases in accordance with the regulations established by the CSU and campus, as well as all federal and state rules to ensure accountability to the public and fairness and ethical treatment to vendors. Cardholder responsibilities include:

- Agreeing to all card program requirements established and as amended by the campus;
- Completing and acknowledging the required campus procurement card cardholder training;
- Ensuring that the campus policies and procedures of the procurement card program are integrated into the individual's use of procurement card;
- Protecting the card at all times to prevent unauthorized use;
- Not sharing or authorizing others (subordinates or otherwise) to use the card;
- Immediately reporting a lost or stolen card to the bank and actively follow banks rules and instructions in doing so; and
- Immediately reporting fraudulent or suspected fraudulent charges to the bank and actively follow banks rules and instructions to clear the charges.

Approver Responsibilities

The Approver is the individual assigned to a Cardholder to ensure compliance with procurement card policies and with CSU, campus, state fiscal and procurement rules by reviewing the transactions on no less than a monthly basis. A Cardholder cannot function as his or her own Approver. Approver responsibilities include:

- Completing and acknowledging required procurement card Approver training;
- Monitoring transactions of assigned Cardholder(s) for appropriateness of purchase;
- Ensuring adequate transaction documentation exists as may be established by the campus;
- Identifying possible violations of assigned Cardholder(s) and taking appropriate action if violations are found; and
- Notifying the card program Administrator of changes in departmental program participants.

300 Delegation of Administrative Duties

Generally, the delegation of certain duties in the procurement card program is a necessity to maintain administrative flow and efficiency. In certain circumstances, however, the delegation of duties is prohibited. All delegations shall be in writing.

- The campus procurement card program Administrator may have one or more "backups" or "delegates" that are authorized to administer the campus procurement card program in conjunction with the Administrator's or in the Administrator's absence. The delegation may be in whole or in part as best suits the campus operation.

- Cardholders may have subordinates or other individuals assisting them in the administration of the card accounts, but the Cardholder may not delegate the authority of the use of the card or signing periodic card reconciliation documents.
- Approvers may have subordinates or other individuals assisting them in the administration of their Approver activities. The Approver may delegate the authority of approving Cardholder transactions consistent with the Approvers department expenditure authority. Delegation of such authority to any Cardholder is prohibited.

400 Use of CSU Procurement Card Program by Auxiliary Organizations

Auxiliary Organization Employee Use

Auxiliary Organizations of the CSU are specifically included in systemwide procurement card contracts. Auxiliary Organizations may participate in the procurement card contract and implement any of the procurement card products available. In doing so, the Auxiliary Organizations will benefit from the systemwide size of the contract and all participants will benefit from the additional Auxiliary Organization expenditure volume. In this instance, Auxiliary Organizations would have a business relationship with the CSU contracted procurement card bank.

Auxiliary Organization Use of Campus Procurement Card Program

In cases where the campus elects to include Auxiliary Organization employees under the campus procurement card program, certain protections for the CSU are required. The campus must have a written agreement with the Auxiliary Organization using their program that minimally includes the responsibilities of each organization and provisions guaranteeing payment of charges by Auxiliary employees.

500 Conflict of Interest Reporting

In some instances, Conflict of Interest reporting may be required of procurement card program participants (Cardholders and/or Approvers). Instructions specifically related to program participants being designated Statement of Economic Interests (Form 700) filers are managed by systemwide and campus Human Resources through policy and Coded Memorandums.

Definitions

For purposes of this policy, the following definitions apply.

Administrator: An individual who is responsible for the day-to-day management and operation of the procurement card program at each CSU campus or location.

Cardholder: The named individual to whom the procurement card is issued and whose name appears on the card.

Approver: An individual(s) at a supervisory level who is responsible for reviewing and/or approving purchases made by the Cardholder. Approvers may not be in a subordinate relationship to the cardholder. Approvers may not delegate the responsibility for reviewing and/or approving purchases made by the Cardholder.

Office of the Executive Vice Chancellor Business and Finance

Approved: August 7, 2014

5251.00 | Corporate Cards (Employee Personal Liability Credit Cards)

Effective Date: 8/7/2014 | **Revised Date:** 8/7/2014

POLICY OBJECTIVE

It is the policy of the CSU to establish systemwide responsibility for and facilitate acquisition of personal liability business credit cards. Commonly known as "corporate cards," the cards are designed for employees who must travel and incur reimbursable business or entertaining expenses on behalf of the CSU. It is also the policy of the CSU to reduce employee cash advances through the use of corporate cards to the extent feasible and within risk tolerances. Campuses must prepare written procedures that implement this policy.

Auxiliary Organizations that participate in the state or the systemwide corporate card program are subject to this policy.

POLICY STATEMENT

The CSU may enter into systemwide contracts with financial institutions to establish a corporate card program. Such corporate cards minimize the burden on an employee's personal financial situation when CSU travel or hospitality expenses must be incurred personally and subsequently reimbursed. Corporate cards provide benefits that include:

- Enables employees to pay for CSU reimbursable travel or hospitality costs without incurring out-of-pocket expenses; and
- Provides travel protection insurances for employee travelers when traveling on commercial transportation.

A single system-wide bank procurement card contract that includes corporate cards will be administered by the Chancellor's Office department of Contract Services and Procurement. The State of California also operates a corporate card program and campuses may obtain corporate cards for employees through this State program. The Chancellor's Office department of Contract Services and Procurement shall be responsible for managing both corporate card programs in the CSU.

This policy shall be fully implemented by CSU locations by June 30, 2015.

100 General

This policy applies to all corporate card programs whether provided under contract by the CSU or State of California.

A CSU faculty or staff member may be eligible to apply for a corporate card if he or she meets all of the following criteria:

- Their position at the university requires business travel at least two times per year; and
- The card has been authorized by their supervisor and the unit's business manager or chair; and
- The individual has completed an application and agreed in writing to both the financial institution's Cardholder Agreement and all CSU applicable policies, procedures and timely payment requirements.

Corporate cards may only be used for bona fide business expenses that directly serve the University purposes. CORPORATE CARDS MAY NOT BE USED FOR PERSONAL PURCHASES.

200 Authority and Responsibilities

General Program Requirements

- The use of a corporate card shall not circumvent any CSU or campus policies.
- Campuses must develop and train Cardholders in corporate card policy and procedures, and actively monitor the acceptable use and payment status of issued corporate cards. The policies should include

a policy of notifying campus HR in cases where employee corporate card payment defaults result in a loss of rebate revenue to the CSU or the State.

- Campuses must develop a procedure of notification and sanctions to Cardholders when payment lateness is discovered to avoid potential employee payment defaults.
- Through training and active program management, Campuses shall avoid Cardholder payment default.
- To the extent feasible:
 - Campuses shall establish and adjust corporate card spending limits to be reasonably consistent with the anticipated expenditures of the individual Cardholder.
 - Campuses shall use merchant category codes (MCC) to reduce the financial and business exposure of the CSU or the State.
- Cardholders must sign documentation that specifically acknowledges agreement to comply with the policy and procedures established by each campus, the corporate card issuing bank and conditions for return of the card. Cardholders must also sign a document serving as confirmation that campus training was provided on applicable policies, timely payment and acceptable use.

Cardholder Responsibilities

The role of a Cardholder is to make purchases in accordance with the regulations established by the CSU and campus, and:

- Agreeing to all card program requirements established and as amended by the campus;
- Completing and acknowledging the required campus corporate card Cardholder training;
- Ensuring that the campus policies and procedures of the corporate card program are followed;
- Protecting the card at all times to prevent unauthorized use;
- Paying the financial institution within the allocated time (by the due date) in the Cardholder agreement. Payment of the amount owed to the financial institution may not be delayed due to lack of reimbursement of travel expenses by the CSU;
- Monitoring the card statements and use the online corporate card tools to monitor transaction to guard against fraudulent activity; and
- Reporting card loss, misuse or fraud immediately to the card-issuing bank.

300 Use of CSU Corporate Card Program by Auxiliary Organizations

Auxiliary Organization Employee Use

- Auxiliary Organizations of the CSU are specifically included in systemwide procurement card contracts and may obtain the offered corporate cards for their employees and staff if eligible. Auxiliary Organizations may participate in the procurement card contract and implement any of the procurement card products available. In doing so, the Auxiliary Organizations will benefit from the systemwide size of the contract and all participants will benefit from the additional Auxiliary Organization expenditure volume.
- Auxiliary organizations that offer the corporate card program to their employees shall follow this policy and develop applicable programmatic policy and procedures.
- In cases where the campus elects to include Auxiliary Organization employees under the campus corporate card program and management, certain protections for the CSU are required, as payment defaults will affect campus rebate revenues. The campus must have a written agreement with the Auxiliary Organization using their program that minimally includes the responsibilities of each organization and provisions guaranteeing payment default by Auxiliary employees.

Definitions

For purposes of this policy, the following definition(s) apply.

MCC Code: A merchant category code (MCC) is a four-digit number assigned to a business by credit card companies (for instance American Express, MasterCard, VISA). The MCC is used to classify the business by the type of goods or services it provides. In some cases the MCC code can be used by Administrators of a card program to limit the retail categories a corporate card may be used.

5300.00 | Personal Property

Effective Date: 2/25/2015 | **Revised Date:** 2/25/2015

POLICY OBJECTIVE

This policy establishes the CSU's system wide definition of personal property for purposes of contracting and procurement.

POLICY STATEMENT

In addition to the special requirements contained in this PolicySection 5300, requirements in Policy Section 5200 also apply to the procurement of personal property.

As used in the following policy sections, "personal property" and "goods" mean all types of tangible personal property, including materials, licenses, supplies and equipment.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: February 25, 2015

5301.00 | Bid Thresholds for Personal Property

Effective Date: 6/5/2015 | **Revised Date:** 6/5/2015

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as it pertains to the acquisition of personal property.

POLICY STATEMENT

100 Acquisitions Less than \$250,000 from California Certified Small Business 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, as long as 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.

200 Acquisitions Less than \$50,000

Competition is not required for goods 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.

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 buyer would accept as a reasonable representation of existing market value.
- Price Comparison – A buyer has obtained quotes or offers within the last 6 month period from other responsible suppliers which provide evidence that a price obtained is deemed fair and reasonable.
- Historical Pricing – A buyer 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.

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

Acquisitions of personal property that are 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 in order 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.

400 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 ICSUAM Policy 5000 Series.

500 Use of DVBE or California Certified Small Businesses

Efforts shall be made to procure goods from and meet the goals established for DVBE's or California Certified Small Businesses as set forth in ICSUAM Policy 5215.00 and 5216.00 respectively.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: June 5, 2015

5302.00 | Formal Bidding for Personal Property

Effective Date: 4/28/2008 | **Revised Date:** 4/28/2008

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

Other requirements notwithstanding, formal bidding shall comply with the following:

100 Public Notice

The Campus shall advertise in the California State Contracts Register the availability of its formal solicitations, and interested suppliers, upon request, shall be furnished with copies of the solicitation.

In addition to advertising in the California State Contracts Register, the campus shall also:

- In a location easily accessible to the public, post a copy of the solicitation, which shall remain posted until seven days after an award has been made.
- Maintain complete copies of the solicitation, in the campus procurement office, to be made available to any interested supplier upon request.

The solicitation notice may also include an announcement in an appropriate media such as, but not limited to, a newspaper or trade journal. Such announcements shall contain at least a brief description of the goods, the closing date and time for bids to be received, and the location where complete copies of the bid documents may be obtained.

200 Public Opening of Bids

Sealed bids, for goods, shall be publicly opened and read at the date and time specified in the bid solicitation (if it so requires or if requested by any of the bidders). The campus shall maintain confidentiality regarding each bid until the public opening and reading takes place. Bids received after the closing date and time shall not be accepted. After bids are opened, they shall be made available for public inspection within a reasonable time. Public inspection shall not include the disclosure of documents designated by the University to be confidential.

300 Evaluation of Bids

As soon as practical after the bid opening, the campus shall begin the evaluation process to determine the lowest responsive and responsible bidder in accordance with the criteria for evaluation as stated in the solicitation. Deviations from requirements which do not materially impact the cost, quantity, or quality of the item or service to be provided or do not directly affect the outcome of the bid award, in the opinion of the campus, may be waived.

Evaluation of Bids for Electronic Goods
Deleted – October 2009

400 Rejection of Bid(s)

If the apparent lowest bid does not comply with the bid requirements, it must be rejected. If the contract is not to be awarded to the lowest bidder, the campus must notify such bidder 24 hours prior to awarding the contract or purchase order to another bidder. In computing the 24-hour period, Saturdays, Sundays, and legal holidays shall be excluded. If prior to making the award, any bidder who has submitted a bid files a protest against the awarding of the contract or purchase order on the ground that he or she is the lowest responsible bidder meeting specifications, the contract or purchase order shall not be awarded until either the protest has been withdrawn or the campus has made a final decision, in accordance with Policy Section 212, as to the action to be taken relative to the protest.

The campus may, if it is in the best interest of the campus, reject all bids at any time prior to the award of the contract.

500 Protest

The bid document must contain provisions for resolution of protests and disputes.

600 Conflict of Interest and Confidentiality

Prior to participating in the solicitation process, all CSU employees involved in the solicitation process must complete a Conflict of Interest and Confidentiality Statement, CRL057. The completed statements should be retained as part of the contract file.

A Conflict of Interest and Confidentiality Statement (CRL057) is available at the [CS&P Contract Resource Library](#) website.

5303.00 | Commodities with Special Purchasing Requirements

Effective Date: 2/25/2015 | **Revised Date:** 2/25/2015

POLICY OBJECTIVE

This policy establishes the commodities with special purchasing requirements to ensure CSU procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

100 (Section Currently Not In Use)

200 Vehicles, New and Used

Vehicles are classified as personal property with no special procurement requirements. Refer to Policies 5301 and 5302.00 for procurement requirements for personal property.

300 Hazardous Materials

The Hazardous Substances Information and Training Act in the California Labor Code specifies that purchase orders for chemicals, solvents, or other products that may contain any kind of hazardous material include a vendor requirement to furnish a Material Safety Data Sheet for the commodity being purchased.

Campuses should perform a risk identification and evaluation, in accordance with ICSUAM Policy 5233.00 and the factors below, as part of its development of the terms and conditions and insurance requirements for purchase orders or contracts for the procurement of products that contain hazardous materials:

- The potential danger of the material;
- The method of delivery, i.e. will the contractor's vehicle drive on to the campus; and
- The point of delivery.

In the absence of a risk identification and evaluation, the minimum insurance requirements set forth in Executive Order 1069 and Technical Letter RM 2012-01 or their successors shall be used.

400 Library Materials & Information

Educational materials and information access resources related to campus library services may be purchased without advertising for (or soliciting) bids. Such materials and resources include books, periodicals, computerized information for library use, educational films, audiovisual materials, test materials, workbooks and instructional computer software. Campuses are encouraged to solicit competitive bids on such materials and resources whenever practical so that opportunities are realized to optimize potential cost savings and benefits to the University.

500 Forced, Convict, and Indentured Labor

Every contract for the procurement of State equipment, materials, or supplies, other than procurement related to a public works contract, shall specify that no foreign-made equipment, materials, or supplies furnished to the State pursuant to the contract may be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction. The contractor shall agree to comply with this provision of the contract.

**Office of the Executive Vice-Chancellor
Business and Finance**

Approved: February 25, 2015

5400.00 | Procurement of Services

Effective Date: 3/12/2002 | **Revised Date:** 3/12/2002

POLICY OBJECTIVE

This policy establishes the contract types applicable to this ICSUAM Policy Section 5400 to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

The following kinds of contracts shall be subject to this section of the Policy Manual:

- Service agreements
- Independent Contractor and Consulting services
- Equipment rental or lease agreements
- Service orders

This section does not apply to the following kinds of contracts:

- Public Works project agreements, including public works maintenance contracts.
- Professional Service agreements in connection with a public works project (such as contracts for architectural or engineering services)
- Lease, license, sale, or exchange of real property
- Purchases of goods (materials, supplies, or equipment)

**Office of the Executive Vice Chancellor
Business and Finance**

March 12, 2002

5401.00 | Solicitation Thresholds for Services

Effective Date: 6/5/2015 | **Revised Date:** 6/5/2015

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as it pertains to the acquisition of non-information technology services.

POLICY STATEMENT

100 Acquisitions less than \$250,000 from California Certified Small Business or Disabled Veteran-Owned Business Enterprise (DVBE)

This is called the Small Business / DVBE Option. Acquisitions of services that are estimated to be less than \$250,000 may be awarded to a Certified Small Business or DVBE as long as 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.

200 Acquisitions Less than \$50,000

Competition is not required for 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.

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 buyer would accept as a reasonable representation of existing market value.
- **Price Comparison** – A buyer has obtained quotes or offers within the last 6 month period from other responsible suppliers which provide evidence that a price obtained is deemed fair and reasonable.
- **Historical Pricing** – A buyer 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.

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

Acquisition of services that are 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 services must possess in order 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.

400 Acquisitions Greater than \$100,000

Contracts for services 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 services, as applicable, per ICSUAM Policy 5000 Series.

500 Use of DVBE or California Certified Small Businesses

Efforts shall be made to procure services from and meet the goals established for DVBE's or California Certified Small Businesses as set forth in ICSUAM Policy 5215 and 5216 respectively.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: June 5, 2015

5402.00 | Formal Solicitation for Services

Effective Date: 4/28/2008 | **Revised Date:** 4/28/2008

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

Other requirements notwithstanding, formal procurement for services shall comply with these regulations:

1. Public notice of the intent to formally request services from the open market shall be advertised in the California Contracts Register and posted in a location easily accessible to any firm that may wish to participate. Complete copies of the solicitation documents must also be maintained in the campus procurement office and made available to any interested party upon request. The solicitation notice may also include an announcement in an appropriate newspaper or trade journal, including a brief description of the work to be performed, the closing date and time for bids or proposals to be received, and the location where complete copies of the solicitation document may be obtained.
2. To promote fair and open competition each formal solicitation for services must attempt to secure at least three competitive bids or proposals. Three competitive bids or proposals are not required in these instances:
 - In cases of emergency where a contract is necessary for the immediate preservation of the public health, welfare, or safety, or protection of state property.
 - When the campus awarding the contract has advertised the contract in the California State Contracts Register and has solicited all known potential contractors, but has received less than three bids or proposals.
 - The contract is with another state agency, a local governmental entity, or an auxiliary organization of the CSU. These contracts, however, may not be used to circumvent the competitive bidding requirements of this article.
 - The contract meets the conditions prescribed in Policy Section 206, Limits on Competition.
3. Any solicitation that has received less than three bids or proposals shall document, in a manner prescribed by the procedures of the campus, the firms or individuals it solicited for bids or proposals.
4. Contracts for services may be awarded under a procedure which makes use of a Request for Proposal or Invitation for Bid.
5. The bid or proposal evaluation process and selection criteria shall be stated within the solicitation documents. Deviations may be waived if, in the opinion of the campus, such deviations from requirements do not materially impact the cost, quantity, or quality of the item or service to be provided or do not directly affect the outcome of the bid award.

All bids or proposals may be rejected in any case where the campus determines that the bids or proposals received are not in the best interests of the CSU.

Allow for public opening of bids or proposals - Bids or proposals must be opened publicly at the time stated in the solicitation document (if it so requires or if requested by any of the bidders).

A public opening must be conducted for bids, which will be awarded to the lowest priced responsive and responsible bidder. The total dollar amount of each bid and the name of the bidder must be read. Bids documents are public upon opening and shall be available for public inspection within a reasonable time.

A public opening must be conducted for proposals, which will be evaluated and awarded to the proposer that represents the best value to the CSU, only if requested by the proposing firms or members of the public. Only the names of the proposing firms need to be read at the time of opening.

All proposals shall be held in the strictest confidence and shall be made public and available immediately after the Notice of Intent to Award has been issued.

No bids or proposals that have been received after the closing date and time for bids or proposals shall be considered.

Public inspection shall not include the disclosure of documents designated by the CSU to be confidential.

6. The solicitation document must contain provisions for resolution of protests and disputes.
7. Conflict of Interest and Confidentiality
Prior to participating in the proposal evaluation process, all CSU employees involved in the proposal evaluation process must complete a Conflict of Interest and Confidentiality Statement, CRL057. The completed statements should be retained as part of the contract file.

A Conflict of Interest and Confidentiality Statement (CRL057) is available at the CS&P [Contract Resource Library](#) website.

5403.00 | Services with Special Purchasing Requirements

Effective Date: 1/14/2014 | **Revised Date:** 12/16/2013

POLICY OBJECTIVE

To establish any special requirements related to service contracts.

POLICY STATEMENT

The CSU is prohibited from entering into a contract with any entity, whether a specific depository institution or an entity that partners with one or more depository institutions, that requires a student to open an account with that entity as a condition of the student receiving his or her financial aid disbursement.

All contracts for financial aid disbursement entered into on or after January 1, 2014 must provide that the contracting entity shall initiate the direct deposit within one business day of receipt of the financial aid disbursement moneys from the campus.

5404.00 | Contract Award Report to Department of Fair Employment and Housing

Effective Date: 5/20/2005 | **Revised Date:** 5/20/2005

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to DGS contract award reporting requirements to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Campuses shall give written notice at least quarterly to the Department of Fair Employment and Housing, Office of Compliance Programs, of all contracts (but not purchase orders) over \$5,000. For each contract awarded, campuses shall provide complete data required on the Contract Award Report (DGS STD016) or computer generated facsimile report. A reporting form for this purpose is generated as a standard report in the CSU financial system, but the State Standard Form 16 may be obtained from the DGS Forms Management Center. The quarterly list may be appended to the form.

Campuses shall submit reports in accordance with due dates specified on the CSU Contract Services and Procurement Policy Reporting Requirements Schedule.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: May 20, 2005

5405.00 | Amendments to Service Agreements

Effective Date: 4/28/2008 | **Revised Date:** 4/28/2008

POLICY OBJECTIVE

This policy establishes the CSU's limitations on extending or adding services to service agreements to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Service Agreements work scope may not be modified as a means to circumvent competitive solicitation requirements.

Additional work scope may be added to an existing service agreement only if the added scope is the same type of work that was specified in the base contract or work that is incidental to the work specified in the base contract and is necessary for the completion of the work intended to be performed in the base contract.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: April 28, 2008

5406.00 | Service Orders

Effective Date: 3/3/2003

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to service orders to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

The Service Order may be used to obtain various kinds of services on a less formal basis whenever it is determined that there is no need to require both parties to sign a formal agreement, or where timing or circumstances make it impractical to employ a formal agreement.

5412.00 | Special Processing Requirements for Contracts

Effective Date: 4/28/2008 | **Revised Date:** 4/28/2008

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

100 Commencement of Work Clause

Except in cases of emergency to protect human life or State property, work shall not commence on any contract until the contract has been approved by the appropriate authority. Any work performed by the contractor before the date of approval can be considered as having been done at the contractor's own risk and as volunteer work.

200 Compensation

Payment and consideration provisions depend on the complexity and difficulty of the project, the current rate for similar work both within and outside State service, and the qualifications and experience of the individual(s) or firm awarded the contract. Contracts will list the rate of compensation to be paid for all consideration and other expenses.

Reimbursement of transportation costs and an allowance for per diem should be in conformance with the current CSU reimbursement policies applicable to CSU professional employees (CSU Internal Regulations).

300 Progress Payments

A "progress payment" is defined as any partial payment of the contract price during the progress of the work. If a provision in the contract calls for progress payments to be made, they shall be made at clearly identifiable stages of progress, and be based upon written progress reports submitted with the contractor's invoices. Progress payments shall not be made in advance of services rendered.

700 Hazardous Materials Removal Services Contracts (Rev. 04/28/08)

These services include all labor, packaging, materials, tools, vehicles, placards, labels/markings, equipment, including personal protective equipment and safety equipment, expertise, and other means necessary and required to provide services for the pickup, transportation, and disposal of hazardous wastes.

Contracts involving the handling, removal or disposal of hazardous materials shall be developed in accordance with CSU's model contract for hazardous material removal, and comply with all State and Federal requirements. Changes to the hazardous materials model contract may be made with the concurrence of campus Risk Management and Environmental Health and Safety.

800 Insurance Requirements

Campuses should perform a risk identification and evaluation, in accordance with policy section 230, as part of its development the insurance requirements for contracts for the procurement of hazardous materials removal services.

In the absence of a risk identification and evaluation, the minimum insurance requirements set forth in policy section 230.02 shall be used.

900 Independent Contractors

The following guidelines are provided to assist in the distinction between employer/employee vs. independent contractor relationships. These guidelines are based upon criteria used by the Internal Revenue Service, the State Employment Development Division, and other public service agencies.

1. An independent contractor generally is engaged in a distinct occupation or profession, e.g., in the business of providing consulting or other services related to the job being contracted.
2. Independent contractors perform independently; whereas, under an employer/employee relationship the employer retains the right to direct and control the work being performed, as well as control over the details or techniques of the work to be performed.
3. The working area, supplies, and/or equipment generally is not furnished to independent contractors.
4. Compensation for independent contractors is reflective of the specific work accomplished; whereas, employment relationships are generally compensated by payment of a set sum by the hour, week or month based on set hours of work.
5. The work being performed must not be of a type that is integrated into routine or ongoing employer operations.
6. The employer must not make direct payments for business, per diem, or travel expenses incurred by the independent contractor.
7. An employment relationship exists when the worker can quit or be terminated at any time; whereas, an independent contractor is legally obligated for failure to complete the job unless the agreement is terminated.

1000 Consulting Agreements (Rev. 04/20/04)

A "consulting services contract" is defined as an agreement with an independent contractor to have work performed that is advisory in nature, provides a recommended course of action or personal expertise, and results in an end product that is basically a transmittal of information, either written or verbal.

A "consulting services contract" does not include:

1. Contracts with the federal government.
2. Contracts with local agencies (as defined in Section 2211 of the Revenue and Taxation Code) to subvene federal funds for which no matching State funds are required.
3. Contracts for the development, maintenance, administration, or use of licensing or proficiency testing examinations (such as academic accreditations, program reviews, and other external evaluations).
4. Contracts for public works architectural or engineering services.

Consulting agreements are subject to the same policies and procedures as service agreements in general. Additional special processing requirements to be performed whenever a campus contracts with an independent contractor serving as a consultant include:

1100 Conflict of Interest

Should a consultant provide services for preparation or development of recommendations for the actions which are required, suggested or otherwise deemed appropriate, and which include the provision, acquisition or delivery of products or service; then the consultant must provide full disclosure of any financial interest, including but not limited to, service agreements, OEM, and/or remarketing agreement that may foreseeably allow the Contractor to materially benefit from the adoption of such recommendations.

No person, firm, or subsidiary thereof who has been awarded a consulting services contract may submit a bid for, nor be awarded a contract for, the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract.

1200 Prohibition of Contracts with Illegal Immigrants

Per the State of California Executive Order W-135-96 signed on 8-27-96 by the Governor, all contracts must contain the following language: "If Contractor is a natural person, Contractor certifies by signing this Agreement that s/he is a citizen or national of the United States or otherwise qualified to receive public benefits under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193; 110 STAT. 2105, 2268-69.)"

5500.00 | Information Technology Resources (ITR) Procurement Policy

Effective Date: 4/28/2008 | **Revised Date:** 4/28/2008

POLICY OBJECTIVE

This policy broadly defines an Information Technology Resources (ITR) procurement and recognizes the authority of the CSU to conduct such procurements independently to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

In addition to the special requirements contained in this Policy Series 5500, requirements in Series 5200 and 5300 may also apply to the procurement of information technology resources.

Information Technology Resources (ITR) is defined to include, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications which include voice, video, and data communications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

Public Contract Code Sections 10295 and 12120 provide that the CSU has an independent procurement authority separate from the State Departments of General Services and Finance.

Public Contract Code Section 12100.5 requires the Trustees to develop and maintain policies that further the legislative policies for ITR procurement as expressed in sections 12100 et seq. of the Public Contract Code.

The campus is responsible for assuring that all applicable state procurement laws and regulations are followed, in addition to the policies contained herein.

Each campus shall employ sound and appropriate business practices to guide and control the planning, acquisition, development, operation, maintenance, and evaluation of all ITR-related applications.

It is the policy of the CSU that campuses be given the choice of vendors that best meet individual or unique campus hardware, service, and application requirements. Long-term contracts with annual cancellation and funding-out clauses are encouraged, as they help protect the CSU's investment as well as provide multi-year renewal options that encourage vendors to develop higher levels of service and support (Ref. P.C.C. 12101.5(a)).

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: April 28, 2008

5501.00 | Solicitation Thresholds for ITR Goods and Services

Effective Date: 6/5/2015 | **Revised Date:** 6/5/2015

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as it pertains to the procurement of Information Technology Resources (ITR) goods and services.

POLICY STATEMENT

Except in cases of a sole source procurement made pursuant to ICSUAM Policy 5206.00 Limits on Competition, these solicitation thresholds for acquisition of Information Technology Resources (ITR) goods and services shall apply.

100 Acquisitions less than \$250,000 from California Certified Small Business or Disabled Veteran-Owned Business Enterprise (DVBE)

This is called the Small Business / DVBE Option. Acquisitions for ITR goods and services that are estimated to be less than \$250,000 may be awarded to a Certified Small Business or DVBE as long as 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.

200 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 buyer would accept as a reasonable representation of existing market value.
- **Price Comparison** – A buyer has obtained quotes or offers within the last 6 month period from other responsible suppliers which provide evidence that a price obtained is deemed fair and reasonable.
- **Historical Pricing** – A buyer 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.

300 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 in order 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.

400 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 ICSUAM Policy 5000 Series.

500 The CSU Accessible Technology Initiative

Any project scope developed for the solicitation of informal proposals must incorporate the requirements of the CSU Accessible Technology Initiative regarding Section 508 of the Rehabilitation Act of 1973 accessibility standards wherever applicable. Compliance with Section 508 accessibility standards must be included in the best value evaluation, and the award made to a proposal that fully meets accessibility requirements. If no proposal demonstrates full ATI compliance, award shall be made to the response that demonstrates greatest compliance. Exceptions or exemptions regarding Section 508 accessibility requirements must be made and documented in accordance with the campus ATI implementation plan and/or policy.

600 Use of DVBE or California Certified Small Businesses

Efforts shall be made to procure ITR goods and/or services from and meet the goals established for DVBE's or California Certified Small Businesses as set forth in ICSUAM Policy 5215.00 and 5216.00 respectively.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: June 5, 2015

5502.00 | Formal Solicitations for ITR Goods and Services

Effective Date: 4/28/2008 | **Revised Date:** 4/28/2008

POLICY OBJECTIVE

This policy establishes the CSU's minimum requirements of a formal solicitation of Information Technology Resources (ITR) goods or services to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Other requirements notwithstanding, formal procurement for ITR goods and services shall comply with the following:

1. Public notice of the intent to formally acquire ITR goods and services from the open market shall be posted in a location easily accessible to any firm that may wish to participate and shall be advertised in the California State Contracts Register (CSCR). Complete copies of the bid or proposal solicitation document must also be maintained in the campus procurement office and made available to any interested party upon request. The solicitation notice may also include an announcement in an appropriate newspaper or trade journal, including a brief description of the work to be performed, the closing date and time for bids or proposals to be received, and the location where complete copies of the solicitation document may be obtained.
2. To promote fair and open competition, each formal solicitation for ITR goods and services must attempt to secure competitive bids or proposals. The requirement for fair and open competition shall have been met or is not required in the following instances:
 - a. In cases of emergency where a contract is necessary for the immediate preservation of the public health, welfare, or safety, or protection of state property.
 - b. When the campus awarding the contract has advertised the contract in the California State Contracts Register and has solicited all known potential contractors.
 - c. The contract is with another state agency, a local governmental entity, or an auxiliary organization of the CSU. These contracts, however, may not be used to circumvent the competitive bidding requirements of this article.
 - d. The contract meets the conditions prescribed in Policy 5206, Limits on Competition.
3. Any solicitation that has received less than three bids or proposals shall document, in a manner prescribed by the procedures of the campus, the firms or individuals it solicited for bids or proposals.
4. Contracts shall be awarded based on the proposal or bid that provides the most value-effective solution to the CSU's requirements. Request for Proposal or Invitation for Bid solicitation methodologies may be used in determining contract award.
5. The bid or proposal evaluation process and selection criteria shall be stated within the solicitation documents. Bids or proposals shall be evaluated to determine which bids or proposals meet, and which do not meet, the requirements as specified in the solicitation document. Deviations, in the opinion of the campus, from requirements which do not materially impact the cost, quantity, or quality of the item or service to be provided or do not directly affect the outcome of the contract award may be waived. Proposals shall be evaluated based on quantified evaluation criteria.

All bids or proposals may be rejected in any case where the campus determines that the bids or proposals received are not in the best interests of the CSU.

Evaluation of Bids or Proposals for Electronic & Information Technology (E&IT) Goods

- a. **Best Value Solicitations**
If the Section 508 accessibility standards are applicable to the E&IT goods being procured and the solicitation is based on best value criteria, then compliance with Section 508 accessibility standards must also be included into the best value evaluation using the relative weightings specified in the RFP document. Contracts shall be awarded based on the proposal that provides

the most value-effective solution to the CSU's requirements, including, unless exempted, Section 508 accessibility standards requirements.

b. Invitation for Bids

For solicitations where award is based on lowest priced responsive bid and Section 508 accessibility standards are applicable to the E&IT goods being procured then the bid's compliance to these standards must also be evaluated. Award must be made to the firm that submitted the lowest priced responsive bid that also meets or exceeds the acceptable level of Section 508 compliance as defined by campus authority for Section 508 compliance.

In the event that more than one bid is evaluated to be the lowest priced responsive bid then award must be made to the firm submitting the bid that best meets Section 508 accessibility standards.

In the event that none of the bids submitted meet Section 508 accessibility standards, the market research efforts to procure an accessible product must be documented and award may be made to the lowest responsive and responsible bidder.

6. Allow for public opening of bids or proposals. Bids or proposals must be opened publicly at the time stated in the solicitation document (if it so requires, or if requested by any of the bidders).

A public opening must be conducted for bids, which will be awarded to the lowest priced responsive and responsible bidder. The total dollar amount of each bid and the name of the bidder must be read. Bid documents are public upon opening and shall be available for public inspection.

A public opening must be conducted for proposals, which will be evaluated and awarded to the proposer that represents the best value to the CSU, only if requested by the proposing firms or members of the public. Only the names of the proposing firms need to be read at the time of opening. All proposals shall be held in the strictest confidence and shall be made public and available immediately after the Notice of Intent to Award has been issued.

No bids or proposals that have been received after the date and closing time for bids or proposals shall be considered.

Public inspection shall not include the disclosure of documents designated by the CSU to be confidential.

7. The solicitation document must contain provisions for resolution of protests and disputes.

Conflict of Interest and Confidentiality

Prior to participating in the proposal evaluation process, all CSU employees involved in the proposal evaluation process must complete a Conflict of Interest and Confidentiality Statement. The completed statements should be retained as part of the contract file.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: April 28, 2008

5503.00 | Information Technology Resources (ITR) Project Solicitation Plans

Effective Date: 4/20/2004 | **Revised Date:** 4/20/2004

POLICY OBJECTIVE

This policy articulates the CSU's requirements for a solicitation plan for certain Information Technology Resources (ITR) Projects to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

A Solicitation Plan is required for all ITR projects that fall within the scope of CSU Executive Order 862 related to feasibility studies. Any requisitions for acquisitions that require a formal solicitation or that are considered high risk and/or critical to the success of the project must include an approved Solicitation Plan.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: April 20, 2004

5505.00 | Competitive Solicitation

Effective Date: 7/6/2001 | **Revised Date:** 7/6/2001

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

It is the policy of the CSU that all transactions made under the CSU procurement authority be designed to encourage active competition among those who wish to become the suppliers of goods and services required by the campuses of the CSU. There is no single competitive procurement methodology universally suited to all categories of ITR acquisition. The CSU also recognizes that the same competitive processes used for obtaining non-ITR goods and services such as the Invitation for Bid, and the Request for Proposal, are effective for ITR acquisitions. There are, however, other techniques that may be tailored to support the unique characteristics of an ITR acquisition.

Contract awards for all large-scale systems integration projects shall be based on the proposal that provides the most value-effective solution to CSU's requirements. However, hardware purchased independent of a large-scale system integration project may be made on the basis of lowest cost meeting all other specifications. When an acquisition is based upon cost alone, an award shall be made to the lowest responsible bidder meeting the specifications. [Ref. 12102(b,c)]

100 Best Value (Value-Effective) Acquisitions

The best value methodology for ITR acquisitions of goods and services shall be used to the maximum extent practical. Any solicitation which employs best value selection criteria shall be awarded to the respondent that provides the most value-effective based on life-cycle costing solution to the CSU's requirements. There is no specific formula or methodology for conducting a best value determination, but it is important that the award is consistent with the terms of the solicitation and that any price premium is justified by specific technical or value-added enhancements.

The solicitation document may provide for the evaluation and award of the contract based on factors other than acquisition cost. These factors may include, but are not limited to:

1. Operational costs
2. Quality or technical competency of the bidder's product or service.
3. Delivery and implementation timetables including incentives for early delivery.
4. Warranties, guarantees, and return policies.
5. Costs associated with financing provisions or alternatives.
6. Vendor's financial stability.
7. Consistency of proposed product or service with the planned application.
8. Quality and effectiveness of the proposed product or service.
9. Vendor's industry or program experience.
10. Vendor's past performance record with similar installations.
11. Risk assessment.
12. Value added services or options.
13. Innovative use of current technologies and quality results.
14. Proven development methodologies and tools.
15. Maximum facilitation of data exchange and systems integration.

Solicitations for best value acquisitions may provide that costs be submitted under separate sealed cover for evaluation purposes.

200 Deleted (Rev. 04/02/07)

5507.00 | Special Provisions

Effective Date: 3/3/2003 | **Revised Date:** 3/3/2003

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to acquisition of telecommunications goods and services and used or remanufactured Information Technology Resources (ITR) equipment to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

100 Used Equipment

The CSU campuses may avail themselves of any opportunity to purchase used or remanufactured ITR equipment where a substantial savings in cost compared with other alternatives for acquisition of similar equipment justify the purchase.

200 DGS Division of Telecommunications

The CSU shall grant to the Department of General Services, Division of Telecommunications an opportunity to bid whenever the CSU solicits bids for telecommunications goods and services.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: March 3, 2003

5601.00 | Release of CSU-Owned Personal Property – Superseded by 3150.01

Effective Date: 5/20/2005 | **Revised Date:** 5/20/2005

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

CSU-owned tangible goods, supplies, equipment, or materials that have been determined to be surplus to CSU's needs may be sold or released in a manner that will best serve the interest of the CSU. Such sales must be for a fair market price. Sale methods include, but are not limited to, auction or other competitive bidding or transfer to other governmental entities. Such property may, however, be scrapped or otherwise disposed of and surveyed from CSU property records whenever the property is documented to have no remaining market value or practical use to the CSU.

5602.00 | Sale of License of Intellectual Property

Effective Date: 3/3/2003

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to the sale of licenses of intellectual property to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Campus presidents have the delegated authority from the trustees to transfer intangible intellectual property rights to university faculty, staff, or other entities for valuable consideration.

Campus presidents shall ensure that campus policies addressing intellectual property are kept current and comprehensive as to content and procedure.

5603.00 | Disposal of Vehicles

Effective Date: 3/3/2003

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to disposal of vehicles to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

A campus vehicle may be discarded, traded in, or sold whenever the campus determines it is within its best interests to do so, regardless of age or mileage, or at such time as the vehicle has been determined to be unsafe for continued use, or when it no longer serves the purpose for which it was acquired. Options for the disposal of a vehicle can include (1) surveying it to the DGS State Surplus Property Division, (2) transferring it to the DGS Fleet Administration Division, and (3) liquidating it through competitive bidding or auction at the maximum price attainable in the open market.

Sales of all publicly-owned vehicles, including any owned by the CSU, are governed by provisions within the California Vehicle Code.

5604.00 | Services Provided by the CSU

Effective Date: 3/3/2003

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to services provided by the CSU to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

The CSU does not engage in the sale of services in competition with private enterprise, except when the rendering of such services are related to its educational mission. Whenever services are sold by the CSU, the full cost of providing them must be recovered, including any direct, indirect (overhead) and marginal costs that might be applicable. The basis for setting values to the services shall be documented in a simple, equitable, and rational way, and be made available upon request.

**** INACTIVE HISTORICAL POLICY ****

5606.00 | Services Provided by Campus Auxiliary Organizations (Deleted 2/18/14)

Effective Date: 3/19/2001 | **Revised Date:** 3/19/2001

POLICY OBJECTIVE

(Policy Deleted 2/18/14)

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

CSU campuses and campus auxiliaries may contract with State agencies and other entities to provide services related to research, workshops, institutes, and other educationally-related studies or projects needed by the State that are generally available only from institutions of higher education or their employees. These contracts are exempt from the State's general requirement of competitive bidding prior to making award.

Where the primary responsibility for fulfilling the contractual obligations will rest with an auxiliary organization, the contract should be placed directly with the auxiliary organization. Public Contract code Section 10340(b)(3) provides that State agencies may obtain the services of the CSU or auxiliary organization without securing competitive bids.

5700.00 | Public Agency and Auxiliary Agreements

Effective Date: 3/12/2002

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to public agency and auxiliary agreements to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

The following kinds of contracts shall be subject to ICSUAM Policies 5700.00 Series.

- Service agreements with auxiliaries
- Interagency agreements
- Intra-Agency agreements

Contracts with another state agency, a local governmental entity, another CSU campus or an auxiliary organization of the CSU does not require competition.

5701.00 | Interagency Agreements (Deleted 1/24/2014)

Effective Date: 3/19/2001 | **Revised Date:** 3/19/2001

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

An Interagency Agreement is a negotiated contract between two State agencies for the purpose of conveying one agency's services to the other agency for a price, for exchanged services, or for some other form of authorized consideration. Generally it may contain specific terms and conditions to which each agency has agreed, but is left devoid of indemnification clauses, hold harmless statements, and other legal protective devices standardly employed by the State in contracts with non-State entities.

All Interagency Agreements exceeding \$10,000 must contain a provision that the contracting parties shall be subject to the examination and audit of the State Auditor for a period of three years after final payment under the contract. The examination and audit shall be confined to those matters connected with the performance of the contract.

5702.00 | Intra-Agency Agreements

Effective Date: 3/19/2001 | **Revised Date:** 3/19/2001

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

Campuses may enter into agreements with one another for the purpose of providing reimbursed services, or an exchange of services, through the use of a Memorandum of Understanding or other appropriate form.

5703.00 | Contracts with Local Government Entities

Effective Date: 3/19/2001

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to Contracts with local government entities to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Where one of the contracting parties is a county, city, district, or other local public body, the contract shall be accompanied by a copy of the resolution, order, motion, or ordinance of the local governing body by law having authority to enter into the proposed contract, approve, and to authorize execution of the agreement. The campus may wish to have such a contract undergo a review by the Office of General Counsel.

5704.00 | Contracts with State Boards and Commissions

Effective Date: 3/19/2001 | **Revised Date:** 3/19/2001

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to contracts with State Boards and Commissions to ensure proper authority is demonstrated by agencies contracting with the CSU.

POLICY STATEMENT

Contracts proposed by State boards and commissions in excess of \$1,000 must be accompanied by copies of the resolution, order, or motion authorizing execution of the agreement, unless the campus previously has been furnished with evidence of the authority of the person executing the agreement, or the person has statutory authorization.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: March 19, 2001

5705.00 | Printing and Binding Orders

Effective Date: 3/19/2001 | **Revised Date:** 3/19/2001

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to acquisition of print services to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

Printing, binding, stapling, and other related service needs of a campus are often available from on-campus providers such as central reprographics or self-supporting copy centers. Whenever such needs can be accommodated locally, these service providers shall be considered first.

Off-campus solicitations for printing, binding, or other related services from private printers are subject to the CSU's competitive bidding requirements.

A campus may contract with, or request work to be performed by, the Office of the State Printer (a Division of the DGS) for printing or binding services whenever it is determined that greater efficiency would be served by doing so.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: March 19, 2001

5706.00 | Services Provided by Campus Auxiliary Organizations

Effective Date: 3/19/2001

POLICY OBJECTIVE

This policy articulates the CSU's requirements related to services provided by campus auxiliary organizations to ensure procurement and contracting activities are in compliance with applicable regulations.

POLICY STATEMENT

CSU campuses and campus auxiliaries may contract with State agencies and other entities to provide services related to research, workshops, institutes, and other educationally-related studies or projects needed by the State that are generally available only from institutions of higher education or their employees. These contracts are exempt from the State's general requirement of competitive bidding prior to making award.

Where the primary responsibility for fulfilling the contractual obligations will rest with an auxiliary organization, the contract should be placed directly with the auxiliary organization. Public Contract code Section 10340(b)(3) provides that State agencies may obtain the services of the CSU or auxiliary organization without securing competitive bids.

Deleted 2/25/2015

5707.00 | Interagency Agreements Administered by the Campus

Effective Date: 3/12/2002 | **Revised Date:** 3/12/2002

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as required by Education Code 89036.

POLICY STATEMENT

Where the primary responsibility to administer and fulfill the obligations of a service agreement rests with the campus administration instead of an auxiliary organization, the campus shall follow the regular procedures required in CSU policy for Interagency Agreements.

**Office of the Executive Vice Chancellor
Business and Finance**

Approved: March 12, 2002