



POLICY: PURCHASING POLICY

POLICY #: 145

SECTION: GENERAL ADMINISTRATION

EFFECTIVE:

HISTORY: REVISED 04/01/2012

PURPOSE

The purpose of this policy is to provide management with regulations governing ASC purchases of equipment, materials, supplies and services necessary for auxiliary support service activities provided by the ASC. All project purchases must be in compliance with ASC's purchasing policy. Purchases not covered by this policy include investment management services, insurance, employee travel, legal services, and real estate.

POLICY

- A. Purchases shall be made in a way which supports/facilitates competitive bidding, and at the lowest cost consistent with quality, specifications, service and product availability.
- B. Purchases shall follow what is customary in the market place for a particular commodity or product and be consummated in such a manner so as to constitute a reasonably prudent documented business transaction.
- C. Fitness and quality being equal, recycled products shall be considered for procurement in place of non-recycled products whenever such products are available at no more than the total cost of their non-recycled counterparts.
- D. Volume or pool purchases, annual purchase agreements and State-purchasing contracts shall be utilized when deemed to be advantageous to ASC.
- E. No ASC Board member, employee, or CSU employee by virtue of their position, will personally derive any benefit, gain or receive preferential treatment from the purchase of materials, equipment, supplies or services.
- F. Authorized signers failing to follow the ASC's purchasing policy and procedures may incur personal liability or financial obligation with the vendor and may be subject to appropriate disciplinary action.
- G. Sole source purchases exceeding \$10,000, on a non-competitive basis, will require written justification and approval of the Executive Director, Chief Financial Officer or their designee. The written justification should include:
 - (a) Unique performance factors of the products specified,
 - (b) Why these factors are required,
 - (c) What other products have been evaluated and rejected, and why.
 - (d) Special circumstances requiring immediate action.

BIDDING GUIDELINES

Good business practices and the responsibility for good stewardship of ASC funds dictate that purchasers follow a policy of competitive bidding. Purchases are not to be segmented in order to circumvent bidding thresholds. Competitive bidding is required as follows (and the Accounts Payable Department reserves the right to get additional bids):

- a) Purchases under \$5,000 - Such purchases shall be accomplished in a manner customary to the market place using sound business practices. Price quotations will not be required.
- b) Purchases with an aggregate value between \$5,000 to \$25,000 – Informal price quotes must be obtained from three or more vendors, either in writing, email or by telephone. Documentation should include date, vendor name, contact person, phone number and be attached to the requisition or be maintained on file for audit purposes.
- c) Purchases with an aggregate value greater than \$25,000 - A formal Request for Proposal (RFP) or Request for Quotation (RFQ) is to be solicited. Written specifications and a solicitation award process which recognizes competitive price, responsiveness to specifications, and reputation of vendors is required. Offers should generally be sought from as many responsible vendors as is practical.

PURCHASES FOR CAPITAL PROJECTS:

- A. All purchases from ASC Board approved capital budgets must be approved by the authorized signer having approval authority for the accounts charged. Quotation and bid requirements as outlined above should be followed.
- B. Capital purchases not previously approved by the ASC Board are subject to the availability of funding within the applicable project and the following approvals:
Purchases \$25,000 or less - The authorized signers have approval authority for the charged account and ASC's Chief Financial Officer must approve. Purchases over \$25,000 - Require the approval of the administrator having authority for the charged account, the ASC's Chief Financial Officer and the Executive Director. The Executive Director is authorized to expend beyond the budget an aggregate total of \$25,000 per quarter. If the purchase exceeds \$25,000, the Executive Director will request the purchase be approved by the Board. Quotation and bid requirements as outlined above should be followed for all purchases.

EXCEPTIONS TO BIDDING REQUIREMENTS:

Purchases of inventory and raw materials for purposes of resale shall be made upon the basis of quotations from several reliable and convenient sources of supply. Awards shall be made on terms most advantageous to the ASC based on quality, price, service, and delivery. Grant/Contract purchases governed by the terms and conditions of the executed agreement or agency compliance requirements.