

Purchasing Policy

GENERAL STATEMENT

In order to judiciously expend the resources of the Union WELL Inc., procedures governing expenditures of various levels of money are required. They are targeted at being reasonable and consistent with Sacramento State. When the word "bid" is used in this document it means bids and proposals. Union WELL Inc. will select bidder using best value. Best value means that price is one factor along with performance, quality, total cost of ownership, integration with Union WELL Inc.'s systems and processes, flexibility for future use, and others that are used to select a bidder.

GUIDELINES AND PROCEDURES

1. Purchases of \$1,000 (including tax and shipping) or more require a purchase order or prior written approval if payment by credit card.
2. Purchase orders must be approved by the Executive Director or Director*.
3. Credit card purchases of \$1,000 to \$2,500 (including tax and shipping) must be approved in advance by the Executive Director or Director*. The Executive Director may approve credit card purchases in advance up to \$5,000 (including tax and shipping).
4. Contracts may be treated as purchase orders.
5. Only the Executive Director or Director* can authorize emergency orders of \$1,000 (including tax and shipping) or more without a purchase order. Payments for such purchases must be approved by the Executive Director. Emergency orders made by the Executive Director must have payment approved by the direct supervisor of the Executive Director.
6. **Informal Bid:** Purchases estimated between \$0 and \$50,000 (including tax and shipping) may be acquired through the informal bid process. Verbal, telephone, internet, catalog, mail or fax responses are acceptable.
 - a. It is recommended that two or more quotes are obtained for purchases estimated up to \$5,000 (including tax and shipping).
 - b. Two or more written quotes are required for purchases estimated to be in excess of \$5,000 and up to \$10,000 (including tax and shipping).
 - c. At least three written quotes are required for purchases estimated to be in excess of \$10,000 and up to \$50,000 (including tax and shipping).
7. **Formal Bid Process**

Purchases in excess of \$50,000 (including tax and shipping) shall be acquired through the formal bid process. Formal bids shall have a written solicitation identifying the desired commodity, or service and have a specific bid opening date and time.

 - a. Written bid requests as well as written vendor responses must be provided for all items in excess of \$50,000 (including tax and shipping).
 - b. All formal bids must be reviewed and receive written approval by the Executive Director prior to being released.
 - c. Bid awards shall be made to the selected bidder based on clearly defined evaluation criteria in order to procure goods and services using best value. Any bid responses which don't meet bid specifications shall be rejected.
 - d. Union WELL Inc. may issue a formal bid for a primary source agreement designed to supply goods or services requiring a complex scope for 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.
8. **Sole Source Purchases**

There may be occasion when it is practical to provide only one source for a purchase. This is known as sole source purchase. There are three types of sole source purchase: 1) Sole Brand: a specific item is needed, so the item is sole sourced, but if more than one vendor can provide the item, then it must be put out for bid; 2) Sole Source: there is no other vendor which can provide an item which will suffice; 3) Sole Source Contract: there is no other contractor who can provide the needed service. The following is a partial list of circumstances where a sole source purchase may be justified.

 - a. If the item requested is part of a system already in use and other brands will not functionally integrate.
 - b. If it is considered practical to purchase a particular brand or make because other brands would not be compatible with existing equipment already in use in the department.
 - c. If there is only one known source for a specialized piece of equipment or material required.
 - d. If there is only one contractor who can provide the service.
 - e. When ongoing service is necessary, vendor proximity may be considered.

If one of these cases fits your situation, a sole source justification and supporting documents must be submitted to the Executive Director for prior approval. The following information needs to be addressed when submitting a justification.

 - a. The unique performance factors of the product/vendor specified.
 - b. Why these unique factors are required.
 - c. What other products/vendors have been evaluated and the reason(s) for rejection.
9. Continuing contracted and recurring purchases of services and supplies which will in total exceed the above recommended quotation limits will be reexamined regularly and at least bi-annually to ensure the lowest possible cost-result ratio.
10. California State University (CSU), University of California (UC) & CSU approved State of California contract sources and pricing will be utilized whenever possible, and if it is determined to be in the best interest of Union WELL Inc. When California State University (CSU), University of California (UC) & CSU approved State of California contract sources and pricing are utilized, it is not required to adhere to the informal and formal bid guidelines and procedures.
11. Every attempt will be made to specify and purchase items and services, which have multiple sources availability. Sole source purchases will be examined closely and carefully to ensure that operating demands actually require that only that product or service will suffice.
12. Receipt of all goods and services will be noted on packing slips or invoices as a guarantee of receipt before payment.
13. A Union WELL Inc. staff member (or designee in the event of Custodial supplies) other than that person who placed the order or approves payment of invoice will make signature of receipt.
14. Petty cash:
 - a. Expenditures may be made upon approval of the Executive Director or other management staff as the Executive Director may assign.
 - b. Reimbursement from petty cash will be made only upon presentation of itemized vendor's receipt, countersigned by the person being reimbursed. Advances from petty cash for purchase will be made only upon signature noting amount, date and purpose. The signature slip will remain with petty cash fund until the excess advance is returned with the purchase receipt
 - c. The maximum per transaction purchase made using petty cash shall not exceed \$25. This is per person, per day.
15. Corporate Credit Card
 - a. Union WELL Inc. authorized cardholders may make walk-in purchases; place telephone orders; use online services; and receive and confirm purchases not to exceed \$1,000 (including tax and shipping) without prior authorization.
 - b. Purchases in the amount of \$1,000 (including tax and shipping) or more must have prior written approval and be consistent with Union WELL Inc. Purchasing Policy. (see purchasing guidelines and procedures above)

- c. No purchases shall be made by credit card over \$2,500 (including tax and shipping) without prior written approval by the Executive Director.
- d. Credit card purchases shall not be split to circumvent purchase limits.
- 16. [Reimbursement for travel expenses](#) shall be in accordance with the provisions established by Union WELL Inc.
- 17. Major capital outlay and equipment projects shall not be implemented prior to receipt of approval in accordance with the Union WELL Inc. Lease Agreement and CSU Union budget requirements.
- 18. No real estate will be purchased or accepted as a gift without approval by the University President and Executive Director. The President's office must approve, with prior notification and consultation with the Office of the Chancellor, any contract or other business arrangement involving real property.
- 19. No contracts shall be entered into which shall require advance payment by Union WELL Inc. for personal services or payment prior to receipt of goods and materials; any exception to this practice will require the written approval of the Executive Director.
- 20. All sublease agreements must receive prior approval in accordance with the Union WELL Inc. Lease Agreement.
- 21. In items above, which require action by the Executive Director or Director in "Acting" capacity may take these actions in the absence of the Executive Director. Such "actions in absence" shall be limited to only those items necessary for the continuing conduct of business during the Executive Director absence.

*Director of Financial Services is excluded from this authority due to the need for segregation required for financial duties.

CHANGE HISTORY

Adopted: June 1975

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