



ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, LOS ANGELES

ADMINISTRATIVE MANUAL

CONTRACT & PROCUREMENT
POLICY 216

The policies of the Associated Students Incorporated are in compliance with the regulations of California State University, Los Angeles, the CSU Chancellor and the CSU Board of Trustees as well as all applicable state and federal laws.

DEFERENCE:

This policy defers to Cal State LA Administration and Finance Policy 006 - Policy for One-Up (Next-Level) Authorizations for Business Expenses. Policy 006 establishes the University policy for maintaining appropriate internal controls with regard to authorization of business expenses and reimbursements. This affects all organizational units of the University, including auxiliaries, per Education Code, Sections 89720, 89750, 89752, 89756 and 89900(b); Title 5, California Code of Regulation, Sections 42401 and 42404; and CSU Executive Order 1000, Delegation of Fiscal Authority and Responsibility.

1.0 **PURPOSE:**

The Contract & Procurement Policy is intended to guide the conduct of Associated Students, Incorporated (ASI) employees and agents who engage in the purchase of goods and services in support of ASI's programs, activities and services.

2.0 **REFERENCES:**

CSU Contract and Procurement
Policy ASI Policy 021 – Record
Retention Policy
ASI Policy 210 – Finance – Request for
Payment Policy ASI Policy 225 – Signature
Authorization Policy

3.0 **PURCHASING CARDS:**

3.1 Issuing Purchase Cards - The Purchase Cards shall be requested from the ASI Office Manager using the Procurement Card Application form Exhibit A. The completed application shall be submitted to the ASI Executive Director for approval. To be eligible for the ASI Procurement Card the requestor must be employed by Associated Students, Inc. full-time staff

- member. The ASI President and ASI VP External Affairs and Advancement Executive Officer are also eligible to apply.
- 3.2 Card Limits - The standard dollar limits for the Procurement Card are \$1500.00 per transaction and \$5,000.00 per month. Once the card is issued, should a greater limit be required, a written justification signed by the ASI Executive Director will be required.
- 3.2.1 The exception to the standard card limits will be the Senior Programs Coordinator and the Graphics & Marketing Coordinator due the amount of purchases. The limit for these will be \$10,000.00 monthly.
- 3.3 Cardholder Agreement - The cardholder shall be required to sign the Purchase Card Use Agreement Form, Exhibit B, acknowledging familiarity with the rules and regulations in this procedure. Cardholder will be required to attend a training meeting with the Office Manager. Failure to attend training may result in the suspension or cancellation of the Purchase Card, at the discretion of the Executive Director.
- 3.4 Surrender of the Purchase Card - The Purchasing Card shall be surrendered upon request from the Executive Director or when the relationship with Associated Students is severed. The Purchasing Card shall be returned to the ASI Office Manager
- 3.5 Conflict of Interest - In order to protect employees of ASI from charges of conflict of interest, purchases shall not be made from an organization in which an employee or officer of ASI has an economic interest, either direct or indirect. Such purchases may have the appearance of wrongdoing and should be avoided.

The remedy for the intentional use of the Purchase Card to defraud the University can include the reimbursement of such charges, Purchase Card suspension or cancellation, disciplinary action in accordance with the Education Code. Section 89535 (i.e., suspension, demotion, or termination) and/or criminal prosecutions. The remedies for negligent use of the Purchase Card can include reimbursement of unauthorized charges, Procurement Card suspension or cancellation, and/or disciplinary action in accordance with Education Code section 89535 (i.e., suspension, demotion, or termination)

Cardholders are delegated limited purchasing authority on behalf of the organization, and as such, have the responsibility to ensure that purchases made on their procurement card do not fall within the definitions of a conflict of interest.

Conflict of Interest is defined as follows:

“No employee of ASI, shall make, participate in making or in any way attempt to use his [or her] official position to influence a governmental [CSU] decision in which [s/he] knows or has reason to know [s/he] has a financial interest.” Gov’t Code § 87100.

NOTE: This prohibition applies to all ASI Members, Students & Staff. A gift, gratuity, rebate (not issued in the name of University), kickback, rewards

points/credit, or other incentive provided to a cardholder to influence or appear to influence the decision to make a purchase from a vendor is considered a conflict of interest purchase.

- 3.6 The Cardholder is responsible for:
 - 3.6.1 Security of the Procurement Card. Do not lend your Procurement Card to another employee; Keep it in a secure/locked area; Do not email your statement with the account number visible.
 - 3.6.2 Appropriate use of the Procurement Card.
 - 3.6.3 Compliance with Procurement policies and procedures.
 - 3.6.4 Submitting the weekly receipts. Weekly statements are sent via email each Monday morning. Attach supporting documentation to the cardholder account statement.
 - 3.6.5 Cardholder charge information is available weekly for editing on OneDrive.
 - 3.6.6 Certify that all purchases are to be, or have been used exclusively for the official ASI business.
 - 3.6.7 Resolving any questionable items or disputes that appear on US Bank Account Summary.
 - 3.6.8 Providing receipts in a timely manner so we avoid possible late fees by the date set by the program administrator.
 - 3.6.9 Notify management of paperwork that needs to be submitted to the approving official during cardholder's absence from the office, unless the circumstances of the absence make it unreasonable to do so (e.g., serious illness).
 - 3.6.10 Surrendering procurement card to Office Manager at time of separation.
- 3.7 Approval of Purchases – The approval of purchases must be accompanied with appropriate signatures as stated in Policy 225 – Signature Policy

4.0 PURCHASE CARD PURCHASES:

A written Agreement constitutes a contract. Contracts are legally binding agreements and as such, must be signed only by the ASI Executive Director or designated staff granted the authority to enter into a contract on behalf the ASI Executive Director as per Policy 216 & Policy 225.

- 4.1 Prohibited Use of the Card - Use of the Purchase Card for the goods and services listed below are generally prohibited unless pre-approval in writing which was granted by the ASI Executive Director, or when they are not available, their designee:
 - 4.1.1 Non business related camp sites, amusement and recreational service
 - 4.1.2 Personal Purchases of any kind
 - 4.1.3 Cash Advances or Cash Equivalents (Disney Money, gift cards, etc.)
 - 4.1.4 Firearms & ammunition
 - 4.1.5 Food Items, unless pre-approve in writing with the required forms (i.e. hospitality form, food permit)
 - 4.1.6 Leases or building rentals
 - 4.1.7 Alcohol
 - 4.1.8 Narcotics and other controlled substances

- 4.1.9 Maintenance and/or Service Repair Agreements (individual one-time repairs under \$500.00 are acceptable if supported by insurance) and approved by Executive Director
- 4.1.10 Medical Services
- 4.1.11 Equipment Over \$500.00
- 4.1.12 Splitting purchases to circumvent the single purchase limit.
- 4.2 Process for Purchasing – The Cardholder may place orders by phone, facsimile, mail, internet, or walk-in. In all cases, the Cardholder shall require the vendor to itemize the receipt/invoice/packing slip with the following information:
 - 4.2.1 Vendor name and address
 - 4.2.2 Description of items purchased
 - 4.2.3 Quantity ordered
 - 4.2.4 Price per item
 - 4.2.5 Amount of sales tax or out of state use tax
 - 4.2.6 Shipping charges, if applicable
- 4.3 Providing Backup – Purchases made with Purchase Card must be accompanied by an approved invoice with all supporting documentation.

5 PROCUREMENT PROCESS:

It is the policy of ASI to procure only those items that are required to perform its mission and/or fill a bona fide need. Procurement shall be made with complete impartiality based strictly on the merits of supplier proposals and applicable related considerations such as quality of product or service, quantity needed, ability to meet specifications and timelines, sustainability and compliance with applicable insurance requirements. The ASI Executive Director is responsible for overall administration of ASI's Procurement Program and its compliance with campus and system wide policies. All ASI members, student, and staff, engaged in soliciting, pricing, negotiating, awarding and monitoring vendors, suppliers and contractors must observe these written policies and procedures.

- 5.1 Contracts for Performers, Vendors, and Artists - ASI has approved contract templates to be used for vendors, artists and performers that provide a service. The contract outlines specific terms, liability and insurance requirements, and other expectations of the performer/vendor/artist. The contract templates are reviewed annually to ensure the terms meet current CSU and ASI policies.

Contracts are legally binding agreements and as such, must be signed only by the ASI Executive Director or staff who have been granted the authority to do so by the ASI Executive Director. ASI contract templates may not be used by clubs or University departments because the specific language is binding only for ASI and the contracted vendor/performer/artist.

- 5.2 State Contracts – ASI may purchase selected items through State Contracts. In such instances, bids are required. In all circumstances, the supervisor is to review the planned purchase with the Executive Director and ASI President prior to purchase.
- 5.3 A competitive bid is required for ASI purchases in the following circumstances:
 - 5.3.1 Individual item, combination of like items or type of service which costs \$5,000 or more, not including tax.
 - 5.3.1.1. A purchase of this type shall be justified by providing written quotations from a minimum of three vendors.
 - 5.3.1.2. Acceptable written quotations:
 - 5.3.1.2.1. An email from the vendor which includes a breakdown of charges by item as well as the total
 - 5.3.1.2.2. An official vendor quote

- 5.3.1.2.3. A quote generated from a vendor quoting system on a vendor's website
 - 5.3.1.3 The Request for Proposal (RFP) must:
 - 5.3.1.3.1 Have at least three participating vendors
 - 5.3.1.3.2 The RFP needs to contain, for each vendor, the company name, the date of the contract, address, telephone number, and the name of the person providing the quote.
 - 5.3.1.3.3 Describe the materials, services, or equipment in consideration and the solution or benefit obtained from the acquisition.
 - 5.3.1.3.4 Outline criteria used to evaluate proposals.
 - 5.3.1 Competitive bid purchases and/or contracts must be awarded to the lowest bidder. In special circumstances, however, with the Executive Director's and ASI President's approval, it is possible to purchase items or services from a vendor other than the lowest bidder for reasons such as sole source, better quality, timeliness, special features, etc. Reasons for exception to award of low bid must be submitted with the purchase requisition. In these instances, the (3) comparisons or bids must be submitted with the purchase requisition when submitted to the Board of Directors for approval.
 - 5.4 Sole-Sourcing - A requisition that limits the bidding to one source and/or brand or trade name must be completed on a sole-source memo that includes a written justification as to why the product/service specified must be purchased from that particular vendor. The sole-source memo must be approved by the ASI Executive Director/designee.
 - 5.4.1 Original sole source documentation shall be maintained in the ASI Administrative Services office.
 - 5.4.2 Current insurance, if applicable, must be kept with the sole source documentation at the Cal State LA Business Financial Services Office. It is the responsibility of the department which submitted the sole source request to provide updated insurance certificates.
 - 5.4.3 An approved vendor shall be used as a sole source until the end of the current fiscal year in which it was authorized. At the beginning of each fiscal year, July 1st, a new memo must be prepared and authorized to continue the use of said vendor as a sole source for products or services.
 - 5.4.4 Contracted performers and artists do not require sole-source documentation.
- 6 VENDOR AND CONTRACT FILES (RECORD KEEPING):
 ASI shall maintain all financial records in accordance with ASI's Policy 021 Record Retention Policy.

Policy History:

Approved: 05/31/01
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