

HUMBOLDT STATE UNIVERSITY

**Contracts, Procurement & Risk
Management**

Procedures Manual

For Purchasing
Commodities,
Services,
and
Contracting

Revised 10-19-09

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INTRODUCTION

The information on the following pages is presented as a guideline for the most effective use of the Department of Contracts, Procurement & Risk Management. Based upon your use of this information and your comments, we expect to revise and update the manual as necessary.

All transactions made under the California State University (CSU) procurement authority are designed to encourage active competition between vendors and contractors wishing to provide the CSU with commodities and/or services. Efforts are made to meet the goals established for small businesses and disabled veteran business enterprises (DVBE). For the complete policy regarding the procurement of commodities and services, please see the HSU website at <http://www.humboldt.edu/~procure/index.htm>.

The objective and responsibility of the Department of Contracts, Procurement & Risk Management is to provide the required supplies and services to all University departments on a timely, cost-efficient basis. The following procedures were established to accomplish this objective while complying with the policies and practices as stated in the State Administrative Manual (SAM), the Education Code (Title V), the State University Administrative Manual (SUAM), and other State, University, and campus policies. These policies apply to all funds administered through Fiscal Affairs, regardless of source. ***The Department of Contracts, Procurement & Risk Management is the only authority that may conclude negotiations affecting procurement transactions.***

Problems which often result from a University department's unfamiliarity with State and University regulations will be eliminated if correspondence and adjustment negotiations regarding purchasing or contracting are routed through the Department of Contracts, Procurement & Risk Management rather than handled directly by the University department.

A properly executed Purchase Order (or verbal authorization and Purchase Order number issued by a Department of Contracts, Procurement & Risk Management staff member) is the *only* authority for any vendor or contractor to deliver goods or services to the University. No legal commitment of State funds exists without the authorization of the Department of Contracts, Procurement & Risk Management. This is the most effective way for the University to control its funds and comply with State purchasing law. One exception is the use of the University Procurement Credit Card to purchase merchandise. Services are not allowed on the Procurement Credit Card. ***A faculty or staff member who procures supplies or services before obtaining the approval of the Department of Contracts, Procurement & Risk Management assumes the possibility of personal liability for payment.***

Purchasing Responsibility

The Director of Contracts, Procurement & Risk Management administers the functions of the University Department of Contracts, Procurement & Risk Management.

Procurement responsibilities are assigned to Buyers on a commodity basis. Buyers are available to answer questions, provide product information, and to attend meetings with personnel from the campus community in an effort to provide efficient and cost-effective procurement practices.

The Director of Contracts, Procurement & Risk Management has responsibility for handling contracting of services, overloads and referrals, protests, unusual purchasing problems, Bid reviews, and other pertinent purchasing matters as necessary.

Purchasing and Contracting Procedures

When items or services to be procured do not fall within the guidelines of any of the foregoing sources, University departments are to submit a Requisition for a commercial vendor (see Requisitioning Procedures for Commodities, page 7), which will be processed by the Department of Contracts, Procurement & Risk Management in accordance with the following guidelines. These guidelines are presented in an attempt to assist the campus community in understanding the procedures followed by Department of Contracts, Procurement & Risk Management personnel. Please note that submission of online Requisitions, with all required information (quantities, descriptions, specifications, justification, etc.) results in the most expeditious processing.

By Chancellor's Executive Order and delegation from the President, the University's Department of Contracts, Procurement & Risk Management has authority to make procurements and to contract for services.

Department of Contracts, Procurement & Risk Management office hours are from 8:00 a.m. to 12:00 noon and 1:00 p.m. to 5:00 p.m. The office is located in Suite 413 on the 4th Floor of the Student and Business Services Building, Harpst and Rossow Streets. The campus extension is 3512. The fax extension is 3312.

Staff Roster

Name	Title	Extension
David Bugbee	Director	5746
A. Gail Dungan	Buyer III, Contracts Specialist	3307
Carlos Diaz	Buyer II, Commodities & Services	3304
Stephanie Steffen	Department Coordinator	3305
Denise Gentry	Administrative Support Assistant	3303

BUYER ASSIGNMENTS BY COMMODITY AND UNIVERSITY FUNCTION

Carlos Diaz, Buyer II
Ext 3304
All Commodity Assignments

A Gail Dungan
Ext. 3307
Agreements & Placement of Teachers
Interagency Agreements
Office Equipment Maintenance Contracts & Service Contracts
Public Works Contracts
Service Contracts
State Master Service & Rental Agreements

DEFINITION of TERMS

Amendment	Document used to make corrections or other changes to a Service Contract that has already been issued.
Bid	The formal procedure followed in obtaining written price quotations on Purchase Requests for commodities and services totaling over \$50,000.
Change Order Request	Document used to make corrections or other changes to a Purchase Order that has already been issued.
Confirming Order	A Requisition given a Purchase Order number by a Buyer prior to issuance of the processed Purchase Order. There are two types of confirming orders--one where the order has been placed (usually by telephone or fax) with the vendor only, and one where the order has been placed and the merchandise or services have been received. It is imperative that a confirming order be so designated when the University department is preparing it and that the distinction as to which type of confirming order is clearly made (see Section VI.A.9).
Contract	Legal document issued by the Department of Contracts, Procurement & Risk Management authorizing the provision of services.
Equipment	<p>Movable articles of non-expendable property that have all of the following characteristics:</p> <ul style="list-style-type: none">A normal useful life, including extended life due to repairs, of two years or more.An identity that does not change with use, i.e., not consumed by use or converted by fabrication into some other form of property.A nature that makes formal property accountability practical.A unit cost of \$500 or more. <p>Equipment with an acquisition cost of at least \$5000 must use the proper PeopleSoft account code for this equipment value. Equipment with an acquisition cost between \$500 and \$4999.99 must use the proper PeopleSoft account code for this equipment value. These accounts are available in PeopleSoft.</p>
Justification	Written support given by the University department placing an order following other than prescribed procedures or from other than required source.

Phone Quote	Procedure which may be used in obtaining price quotation by telephone for commodities under \$25,000 or services under \$50,000.
Price Request	Procedure followed in obtaining written price quotations on Requisitions for commodities. Price Request may be faxed or mailed depending on the situation.
Purchase Order	Document issued by the Department of Contracts, Procurement & Risk Management to vendor, authorizing provision of supplies or services. This is a legal document.
Requisition	Online or paper form completed by University department and submitted to the Department of Contracts, Procurement & Risk Management, requesting provision of supplies and services.
Sole Source/Brand	Request for items from an exclusive source by brand name, or the use of specifications that would preclude provision by any other source, thus making the procurement non-competitive.
Specifications	Written description of items, used in the issuance of Purchase Orders, Service Orders or Contracts, or in obtaining written price quotations.
Supplies or Expendable Property	Those tools, materials and supplies that would normally be procured from operating supplies and services expense allocations.

SUPPLY SOURCES

Before supplies or equipment can be procured by the University from commercial sources, the following State sources **must** be utilized. Purchase Orders will only be issued after these sources have been exhausted, or determined inappropriate and justified accordingly.

Office Max: Humboldt State University is required to order office supplies from Office Max per the Master Agreement between the CSU, Educational & Institutional Cooperative Purchasing (E&I) and OfficeMax. It is recommended that products be ordered through Office Max's on-line order process. Authorized University department personnel will need a password to gain access to the Office Max website. The *Office Max Authorization Form* may be downloaded from the Department of Contracts, Procurement & Risk Management website. Purchases are made with your University ProCard.

CSU Contracts State of California Contracts, Price Schedules and California Multiple Award Schedules. The use of these Contracts is generally obligatory for the procurement of those items available. If the University department or the Department of Contracts, Procurement & Risk Management feels that competitive bidding would be to the University's advantage, then this procedure should be considered prior to utilizing a Contract. If a University department wishes to procure the same items (or similar items performing the same function) from other than the Contract vendor and the procurement price is greater than the Contract price, a written justification signed by the University department chairperson must accompany the Purchase Request.

The terms of the Contracts are clearly outlined and Contract prices are highly competitive. An important feature of Contract procurements is that prices are fixed, and the University may issue Purchase Orders directly to the vendor without receiving Bids.

When ordering items on Contract, please submit a Requisition to the appropriate Buyer. The University department may request pricing from Contract websites. Any information received from the vendor must be forwarded to the Buyer, with the online Requisition number referenced on it.

Complete lists of Contracts, Price Schedules and Multiple Award Schedules are maintained by the Department of Contracts, Procurement & Risk Management and copies of Contracts are issued to known University departments as soon as they are available. For additional copies, or to add University departments to the normal distribution, please contact the Department of Contracts, Procurement & Risk Management.

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

REQUISITIONING PROCEDURES FOR COMMODITIES

Online Requisitions must be completed for most procurement. Instructions for completing Requisitions may be found at the website of Contracts, Procurement and Risk Management. The more thoroughly the Requisition is prepared, the faster and more accurately the Department of Contracts, Procurement & Risk Management can process your request. Vendors fill orders based on information and specifications shown on the Purchase Order. Care should be taken in the preparation of a Requisition to ensure that the specifications are adequate to allow proper communication and correct placement of the order.

Blanket Purchase Orders. Blanket Purchase Orders may be sent to vendors that are frequently used by the University department. A Blanket Purchase Order allows procurements up to the amount specified by the University department, but is normally limited to \$5000 or under. University departments that need a higher limit due to special circumstances may call the appropriate Buyer to discuss increasing the limit.

It is recommended that Blanket Purchase Orders be used whenever possible, as they eliminate the need for many smaller orders.

Please provide the Department of Contracts, Procurement & Risk Management with a Requisition containing the following information:

- Description of supplies needed (i.e. miscellaneous office supplies)
- Amount of order
- List name(s) of personnel with authority to pick up and order items
- Name, phone & fax of vendor

Sole Source/Sole Brand Procurement. The California State University is committed to a program of active competition in the procurement of supplies and equipment. Government Code Section 14781 makes it illegal for any agency to draft specifications in such a manner as

to limit the bidding process to any one specific company, brand or product. However, when certain conditions exist that dictate only one source or product will serve the needs of the University, the following guidelines may be followed to affect a sole source or sole brand procurement.

A Sole Source Justification must be attached to your Requisition, explaining the conditions that exist. The following three questions are the basis for all sole source procurements.

1. What are the unique performance factors of the item specified?
2. Why are these specific factors required?
3. What other products have been examined and rejected, and why?

A variation on this theme is appropriate when you need a specific brand name for equipment repair parts, or for items that must match or inter-member with existing equipment. A Sole Brand Justification must be attached to your Requisition, answering the following questions:

1. Why can only one brand be utilized to repair the equipment?
2. Why is it necessary that the requested equipment be the same manufacture as currently owned equipment?

If the Buyer and the University department do not agree on the information provided in the submitted justification, the Director of Contracts, Procurement & Risk Management will make a determination. Sole source procurement may be available to you when the above conditions exist. It is considered an exception to the rule of active competition and should be utilized only when necessary.

Priority Requests. The Department of Contracts, Procurement & Risk Management recognizes that urgent needs occur, and that special requirements may prevent a University department from providing the normal time for preparation of the Purchase Order. In such cases, the Department of Contracts, Procurement & Risk Management is prepared to act quickly and responsively to your needs.

The University department may request one of two procedures when the procurement of a small amount (not requiring price quotations) is involved.

1. A University department may submit a Requisition and request that a Purchase Order is quickly processed, with pick up of the required items to be made by the University department.

The University department **must** notify Distribution Services that the items were picked up, and send packing slips or an invoice copy to them. This will eliminate duplication of orders, allow prompt payment to the vendor, and prevent loss of any offered discounts. The original invoice **must** be forwarded to Accounts Payable, with the Purchase Order number clearly referenced.

2. A Purchase Order number may be requested by telephone from the appropriate Buyer, with the University department explaining the nature of the procurement and the urgency involved. If approval is given and a Purchase Order number issued, the University department may pick up or order the items via phone or e-mail. The University department must then **immediately** complete a two step follow-up.

First Step: Preparation of a Requisition containing the Purchase Order number assigned by the Buyer, including the following notation: *"Confirming Order - Merchandise Received,"* or *"Confirming Phone/Fax Order Place on (date)."* This follow-up Requisition is

to be sent to the Department of Contracts, Procurement & Risk Management as soon as possible.

Second Step: Notification to Distribution Services that the items were picked up, and delivery of packing slips or invoice copy to Distribution Services. This will eliminate duplication of orders, allow prompt payment to the vendor, and prevent loss of any offered discounts. The original invoice **must** be forwarded to Accounts Payable, with the purchase order number clearly referenced.

Emergency Procurement. Emergency procurements of amounts normally requiring price quotations can only be made where a situation exists involving public health, welfare or safety, and requiring immediate action. The University department is responsible for notifying the Department of Contracts, Procurement & Risk Management when they believe an emergency exists. They are responsible for describing the emergency, and discussing an appropriate process for resolving the emergency.

Appropriate processing can range from allowing the department to proceed on their own to resolve the emergency, to requiring participation throughout the process by an appropriate staff member from the Department of Contracts, Procurement & Risk Management. When appropriate, the department will submit necessary documentation for issuance of the correct procurement document, including a written explanation of the emergency.

University departments who abuse these procedures risk future issuance of confirming Purchase Orders.

When picking up items on an emergency Purchase Order, *do not pick up items for other University departments.*

Change Order Request

A Change Order Request Form may be prepared to correct information (such as number of items, chartfield information to be charged, price of item, vendor name and/or address, etc.) on a Purchase Order that has already been issued.

To request corrections, please review the Change Order Request Form Instructions and complete the Change Order Request Form, which are available on the Department of Contracts, Procurement & Risk Management website. The completed form should be sent by campus mail to the Buyer who signed the original order.

Direct Payment Request Form

For reimbursements greater than \$50.00, Subscriptions/Memberships/Dues, non-travel related Registrations, License fees (non-software or maintenance) and Accreditations; a Direct Payment Request Form must be submitted. A description of payment must be included. Additionally, for reimbursements, the requesting employee must submit a signed invoice with name, campus address and campus identification number clearly stated, along with receipts of the procurement. The receipt must be itemized and specific. A claim for "miscellaneous merchandise" will not be reimbursed. Receipts should indicate the date and "Paid" somewhere on the receipt, and be on stamped, pre-printed stock or in the form of a cash register receipt. If a cash register slip is not specific, the employee may indicate in writing the exact nature of the items shown, and must then sign the reverse of the receipt. The items procured must conform to all other guidelines noted in this manual.

PROCUREMENT OF COMMODITIES

(Other than Information Technology)

California State University Bid Requirements and Humboldt State University Procedures

CALIFORNIA STATE UNIVERSITY BID REQUIREMENTS

Reference: Public Contract Code Section 10301. Government Code Section 14838.5

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.

Acquisitions greater than \$50,000 and less than \$100,000

Except in cases when it has been determined that only one source or that only one brand or trade name of an article will properly meet the needs of the CSU, all contracts for the acquisition of goods in the amount greater than \$50,000 and less than \$100,000 **shall be advertised in the California State Contracts Register and may be the result of an informal bid process.** An informal solicitation process may provide for submittal of written or verbal quotes from vendors.

Bids that result in an award to a Certified Small Business are not required to be advertised in the California State Contracts Register, as long as price quotations have been obtained from two or more Certified Small Businesses.

Acquisitions of \$100,000 or more

Except in cases when it has been determined that only one source or that only one brand or trade name of a product is the only one which will properly meet the needs of the CSU all contracts for the acquisition of goods in the amount of \$100,000 or more shall be formally bid and awarded by written contract to the lowest responsible bidder meeting specifications.

Efforts shall be made to meet the goals established for small businesses and disabled veteran business enterprises as set forth in section 215, DVBE Participation Goals and 216, Small Businesses.

HUMBOLDT STATE UNIVERSITY PROCEDURES

Based on the CSU Bid Requirements stated above, the following procedures were determined and are to be followed for commodity procurements. For online Requisitions, after budget checking the Requisition becomes available for the Department of Contracts, Procurement & Risk Management to process into a Purchase Order. Any attachments sent separately to Contracts, Procurement & Risk Management must reference the corresponding Requisition number.

Procurement Under \$5,000 Before Tax, Shipping, or Handling

Processing Time: 1 to 3 days

When the subtotal of an order is less than \$5,000, it is the policy of the Department of Contracts, Procurement & Risk Management to only review the procurement for accuracy and to determine if it is appropriate for State funding. The Department of Contracts, Procurement & Risk Management staff is not required to check price and availability, and vendors are instructed to supply the commodity ordered as long as the order does not exceed \$5000. For these reasons it is important that the University department be accurate with regard to commodity descriptions and prices in preparation of the Requisition. Terms for shipping and handling must be clearly stated.

A Requisition must be submitted for confirming orders for which a Purchase Order number has already been issued and the order placed with the vendor. *It is important to include the Purchase Order number on your Requisition, and to note that the order has been placed and/or received.*

Procurement Between \$5,000 and \$10,000 Before Tax, Shipping or Handling

Processing Time: 1 to 4 days

For orders that total between \$5,000 and \$10,000, the Department of Contracts, Procurement & Risk Management verifies prices, terms, conditions, and estimated delivery time with the vendor requested by the University department (through a Phone Quote or written Price Request, at the discretion of the Buyer).

The minimum quotation requirement is a firm price from one vendor. Quotations may be sought from additional vendors if, in the opinion of the Buyer, it would be to the University's advantage to do so. Buyers may also determine price by negotiation with one or more vendors.

If a University department recommends that the Buyer obtain either a single quotation or multiple quotations, the Buyer will work with the University department to meet their needs.

Upon completion of this process, a Purchase Order is issued which includes firm prices, terms, and anticipated date of delivery.

Procurement Between \$10,000 and \$50,000 Before Tax, Shipping or Handling

Processing Time: 1 to 4 weeks

If a University department feels it is appropriate, they may complete and include a Justification for Sole Source/Sole Brand Request form. The form may be found on our website. If a justification form is not included, the Department of Contracts, Procurement & Risk Management will issue a Request for Quotation (RFQ) from at least three vendors, including any vendor(s) suggested by the University department. The quotations may be obtained by fax or in writing. Buyers may also suggest that pricing be determined by negotiation, but will obtain approval from the Director of Contracts, Procurement & Risk Management prior to proceeding. The Buyer will work with the University department's input regarding the process used.

Each Buyer maintains a list of pre-qualified vendors, which may be used in selecting vendors for solicitation of quotations. Each commodity requested is to be clearly and fully described, including generic specifications where appropriate, in order to ensure that vendors understand what they are being asked to quote on and to protect the interests of the University.

If specific brands and model numbers are referenced, in most cases, equivalent substitutes must be accepted if they are offered at a lower price than the referenced brands. It is in the best interest of the University that thorough specifications be provided for all commodities in order to protect against the possibility of acquiring seemingly equivalent, but in fact inferior, products. If a University department submits a Requisition exceeding \$10,000 without adequate specifications for the commodities requested, it will likely delay processing.

Procurement greater than \$50,000 and less than \$100,000

Processing time 2-3 weeks

Except in cases when it has been determined that only one source or that only one brand or trade name of an article will properly meet the needs of the CSU, all contracts for the acquisition of goods in the amount greater than \$50,000 and less than \$100,000 **shall be advertised in the California State Contracts Register and may be the result of an informal bid process.** The Contracts, Procurement & Risk Management will advertise and may solicit additional quotations through the RFQ process as described in the previous section.

Bids that result in an award to a Certified Small Business are not required to be advertised in the California State Contracts Register, as long as price quotations have been obtained from two or more Certified Small Businesses.

Procurement \$100,000 or More

Processing time: 2-4 weeks

Purchases in excess of \$100,000 are processed through a Formal Bid process. Formal Bids will be completed in writing. Clear, complete, and accurate specifications for each item requested are imperative since rejection of a formal Bid from a provider can lead to costly and time-consuming protests which can, in turn, result in weeks of delay before a Purchase Order or Contract can be issued.

If a University department feels there is only one provider that can provide what they need they must submit a Justification for Sole Source/Sole Brand Request form with the Purchase Request and supporting documents. Sole source requests for acquisitions \$100,000 or more must be approved by a campus authority no lower than Vice President for Administration/Finance. For sole sources of \$250,000 or greater, a copy of the requisition, the justification, and other pertinent documentation must be forwarded to the Chancellor's Office CS&P for review and final approval. The department may also submit a list of Providers for the Buyer's use to complete the Formal Bid process.

Following completion of this competitive process, a Purchase Order will be issued to the lowest compliant bidder, including firm prices, terms, and anticipated date of delivery.

ADDITIONAL PROCEDURES

Guest Lecturer/Service Provider

A Guest Lecturer/Service Provider form is to be used when an individual is providing service as an independent contractor rather than a University employee. A guest lecturer is an individual who speaks to a class because of his/her expertise, is paid a flat rate, and is not the instructor of

record. A service provider is an individual who comes to the campus to provide a specified service. The form and instructions may be accessed on our website.

Request for Payment of Hospitality Expenses

This form may be found on our website and is designed so it can be used for reimbursement of a University employee, payment directly to a vendor, or request for issuance of a Purchase Order. Itemized receipt(s) and invoice(s) must be attached to substantiate request for reimbursement or direct payment to vendor. In the case of issuance of a Purchase Order, please advise vendor that an itemized invoice will be necessary if a Purchase Order is issued. Send all invoices, cash register receipts, etc. received from the vendor to Accounts Payable with signature approving payment, and include Purchase Order number on each.

For reimbursement or direct pay to the vendor, a Requisition and backup information must be submitted to the Department of Contracts, Procurement & Risk Management. For additional information on Payment or Reimbursement of Hospitality Expenses, please see University Management Letter 01-01.

Procurement Credit Card

Humboldt State University offers a Procurement Credit Card program to University departments who wish to make direct pay procurements of authorized supplies, rentals and subscriptions.

For more information, please see the Humboldt State University Procurement Credit Card Handbook at our website.

Other Procedures

In addition to the procurement processes described in this manual, there are others that could be used for particularly complicated or large procurements. These include requests for information, Requests for Proposal, negotiated procurement, and combinations of the items described and procedures mentioned above. There are also special procedures for procurements of Information Technology equipment and related services.

If you are considering such procurements for equipment or service, contact the Department of Contracts, Procurement & Risk Management to discuss procedures prior to beginning the process.

CONTRACTING FOR SERVICES

(Other than Information Technology)

California State University Bid Requirements and Humboldt State University Procedures

Services may be provided to the University through the issuance of a Purchase Order for service or Contract for service. Depending upon the nature of the service provided, it is within the discretion of the Department of Contracts, Procurement & Risk Management as to which document shall be issued.

In determining if a Purchase Order or Contract will be issued, the Department of Contracts, Procurement & Risk Management takes into consideration several factors:

1. The complexity of the services to be provided;
2. The need to include special terms and conditions to clearly identify the responsibility of the vendor and the University;
3. Risk to the University and the need for special insurance requirements;
4. The need for a contractual document that is signed by the University and the service provider.

The University often requires the services of individuals, other than employees, who operate in an independent capacity and are paid from operating expense funds. As there are several legal questions involved, extreme caution should be exercised in determining whether persons should be considered as independent contractors rather than employees. If there is any doubt, the Department of Contracts, Procurement & Risk Management should be contacted in advance for a determination.

The main factors to be considered in determining whether individuals are acting as independent contractors or should be considered employees of the University have to do with the term of employment, the expertise and complexity of the service and the degree of control exercised by the University. Following are two lists of several aspects that should be considered:

Some indicators that a worker is an employee and must be paid via the payroll process are:

1. The person he/she works for may fire the worker;
2. The person he/she works for furnishes tools or equipment or a place to work;
3. The worker receives training from the person or firm for which he/she works, or is required to follow instructions;
4. The worker does not hire supervise or pay assistants (unless employed as a foreman, manager or supervisor);
5. The person he/she works for sets hours of work, requires full-time employment, or restricts him/her from doing work for others;
6. The person he/she works for pays business or traveling expenses;
7. The worker is paid by the hour, week or month;
8. There is an appropriate CSU job classification for the work being performed.

Some factors that may show a self-employed status are:

1. The worker makes a profit or suffers a loss;
2. The worker is hired to complete a certain job and is liable for damages if he/she quits before completing that job;
3. The worker works for a number of persons or firms at the same time;
4. The worker advertises to the general public that he/she is available to perform services;
5. The worker pays his/her own expenses and has his/her own equipment and work place.

Individuals who are otherwise employed by the University MAY NOT be hired as independent contractors.

When requesting services, please provide a complete description of the services requested (when applicable, include the time frame within which service is to be provided, identification of reports to be submitted by the service provider, the University personnel responsible for the project, identification numbers and models of equipment being serviced), any other pertinent backup materials, and payment terms. The Department of Contracts, Procurement & Risk Management will then issue a Purchase Order or Contract. Standard Bid procedures will be followed.

Requests for Services

Submit Requisition.

Contracting for Services

All Contracts must be handled through the Department of Contracts, Procurement & Risk Management. This includes Contracts initiated by the University and Contracts from an exterior source, which commit the University to a prescribed course of action. Specific formats and verbiage are critical and the State can be held liable for damages due to an improperly prepared and executed document. Further, the State can, and may, choose to hold an employee personally liable for an improperly executed Contract.

Equipment Maintenance Contracts

One-time repair of equipment is handled through the issuance of a Purchase Order by Contracts, Procurement & Risk Management after receipt of a Requisition from the University department. Usually, local service providers handle preventative maintenance and regular service or repair of office equipment. All equipment, office or other type may have regular maintenance provided through the issuance of Contracts with private companies who generally send a service representative to make the necessary repairs.

New Contract for Service of Commercial Equipment

Equipment may be placed on Contract for maintenance by a commercial company. The Requisition is to contain a description of equipment to be serviced, including model and serial numbers, location of equipment (building and room number) and period of service (generally terminating at the end of the current fiscal year), and any other pertinent information.

Renewal of Contract for Service of Commercial Equipment

The University department will be contacted by the Department of Contracts, Procurement & Risk Management when the Contract expires to confirm renewal of the Contract.

Payment Procedures

Payment for services is generally made in arrears. Advance payment may be made if it is the only way service can be obtained. This will be determined through negotiation with the vendor, and will require written documentation prior to making advance payment. The Accounts Payable department will process payment after receipt of an approved invoice. The invoice must contain the date, Purchase Order or Contract number, description of services rendered, name and address, and signature (unless invoice is prepared on printed letterhead or invoice).

Requests for change to Purchase Order for service or Contract

If a department wishes to change a Purchase Order for service or a Contract, they need to submit a Change Order Request Form to the Buyer in the Department of Contracts, Procurement & Risk Management who is responsible for the agreement. This request should provide sufficient detail so that the agreement can be altered to reflect the change requested. Change Order requests may be sent by email, fax or campus mail.

The Buyer will issue the appropriate document to make the change.

Contracting for Construction and Related Agreements

This manual does not cover contracting for construction or related agreements. Questions regarding these procedures may be directed to David Bugbee, Director of Contracts, Procurement & Risk Management, or A. Gail Dungan, Contracts Specialist.

CALIFORNIA STATE UNIVERSITY BID REQUIREMENTS

Reference: Government Code Section 14838.5

Acquisitions Less Than \$50,000

Competition is not required for services on transactions of an amount less than \$50,000 unless the Department of Contracts, Procurement & Risk Management determines that competition is necessary to develop sources, validate prices, or for other sound business reasons.

Acquisitions Greater Than \$50,000 and Less Than \$100,000 From Certified Small Business

Acquisitions that are estimated to be greater than \$50,000 and less than \$100,000 may be awarded to a Certified Small Business, as long as price quotations have been obtained from two or more Certified Small Businesses.

Acquisitions of \$50,000 or More

Except in cases when it has been determined that only one source will properly meet the needs of the CSU, all written Contracts for the acquisition of services in the amount of \$50,000 or more shall be formally Bid and awarded to the lowest responsible bidder meeting Bid specifications, or the bidder whose proposal is given the highest score by the evaluation committee. Exceptions may be made in the case of Certified Small Business as specified above.

All transactions made under the CSU procurement authority shall be designed to encourage active competition among service providers wishing to become providers of services furnished to the CSU. Efforts shall be made to meet the goals established for small businesses and disabled veteran business enterprises.

HUMBOLDT STATE UNIVERSITY PROCEDURES

University departments are required to submit a Requisition with a complete description of the services required, a quoted price from the service provider, and the name and phone number of the contact person the service provider should work with.

Services With a Cost of Less Than \$5,000

Processing Time: 1-3 days

When the total amount is less than \$5,000 for the service, it is the policy of the Department of Contracts, Procurement & Risk Management to only review the Requisition and related materials to see that the expense is appropriate for state funds, and that the information provided is adequate to insure successful completion of the project.

If the information is complete and the expenditure appropriate, the Department of Contracts, Procurement & Risk Management will issue a Purchase Order for the service.

Services Between \$5,000 and \$25,000

Processing Time: 4 -10 days

For services between \$5,000 and \$25,000 the Department of Contracts, Procurement & Risk Management verifies prices and terms and conditions related to the service. This may be done through either a phone quote or a written price request. The minimum requirement is a quotation from one service provider. Quotations may be sought from additional service providers if, in the opinion of the Buyer, it would be to the University's advantage to do so. Buyers may also determine price by negotiation with one or more service providers. If a University department recommends that the Buyer obtain either a single quote or multiple quotes, the Buyer will work with the University department to meet their needs.

Upon completion of this process, a Purchase Order or Contract for the service is issued which includes set prices, terms, and anticipated date of completion.

Services over \$25,000 and \$50,000

Processing Time: 1-3 weeks

If a University department believes it is appropriate, they may complete and include a Justification for Sole Source/Sole Brand Request form. The form may be found on our website. If a justification form is not included, the Department of Contracts, Procurement & Risk Management will solicit quotations, as they feel appropriate, including any service provider(s) suggested by the University department. The quotations may be obtained by fax or mail.

Following completion of this competitive process, a Purchase Order or Contract for service is issued to the lowest responsive bidder, including firm prices, terms, and anticipated date of completion.

Services Over \$50,000

Processing Time: 2-4 weeks

Services in excess of \$50,000 are processed through a formal Bid process. The formal Bid process is essentially similar to the process described above for services between \$25,000 and \$50,000, but has more stringent requirements, and generally involves a larger number of service providers participating in the bidding process. Formal Bids will be completed in writing. Clear, complete, and accurate specifications for each service requested are imperative since rejection of a formal Bid from a service provider can lead to costly and time-consuming protests which can, in turn, result in weeks of delay before a Purchase Order or Contract for services can be issued.

If a University department feels there is only one service provider that can provide the service, they need to submit a Justification for Sole Source/Sole Brand Request form with the Purchase Request and supporting documents. Sole source requests for acquisitions \$100,000 or more must be approved by a campus authority no lower than Vice President for Administration/Finance. For sole sources of \$250,000 or greater, a copy of the requisition, the justification, and other pertinent documentation must be forwarded to the Chancellor's Office CS&P for review and final approval. Departments may also submit a list of Service Providers for the Buyer's use in complete the Bid process.

Services From Certified Small Businesses Between \$50,000 and \$100,000

Processing Time: 1-3 weeks

Services that are estimated to be greater than \$50,000 and less than \$100,000 may be awarded to a Certified Small Business, as long as price quotations have been obtained from two or more Certified Small Businesses.

If a University department is considering requesting services for an Independent Contractor, Consulting Services, or services related to Information Technology Resources, they should contact the Department of Contracts, Procurement & Risk Management prior to submitting the necessary materials to discuss the services they desire and their related processing requirements.

INFORMATION TECHNOLOGY RESOURCES (ITR) **GOODS AND SERVICES**

Humboldt State University follows the California State University policy for the purchase of Information Technology Resources using standard purchasing procedures or as outlined in Section 500, Information Technology Resources (ITR) Procurement Policy, of the California State University Policy Manual for Contracting and Procurement.

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